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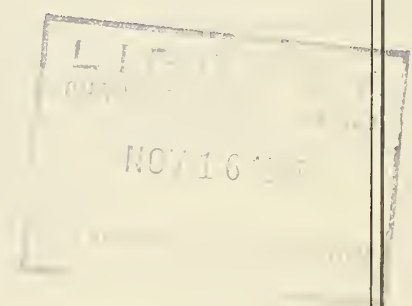


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FARM CREDIT ADMINISTRATION  
UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C.

HANDBOOK ON  
MAJOR REGIONAL FARM SUPPLY  
PURCHASING COOPERATIVES  
1947-48

By  
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and  
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COOPERATIVE RESEARCH AND SERVICE DIVISION

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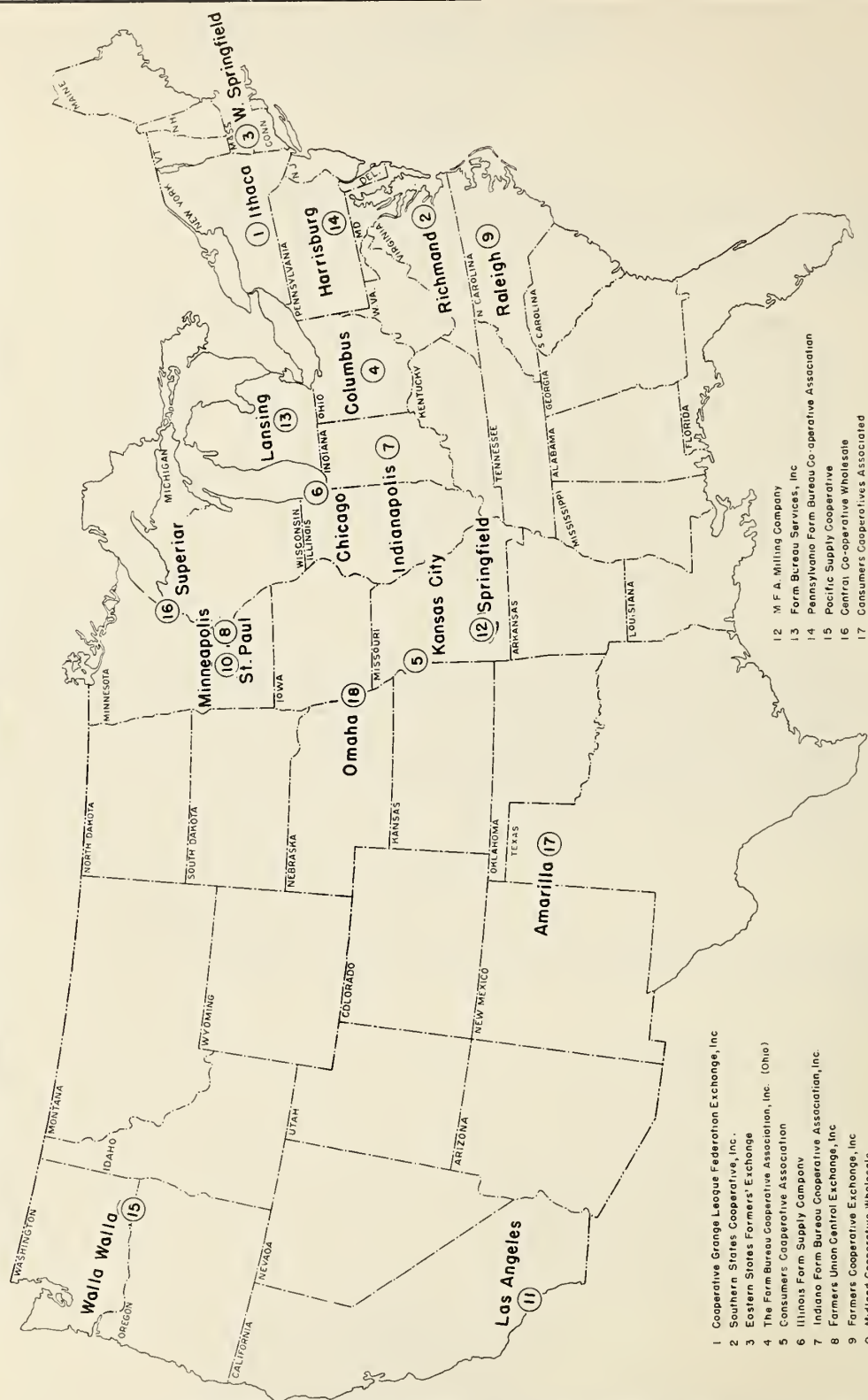
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# LOCATION OF 18 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES



- 1 Cooperative Grange League Federation Exchange, Inc
- 2 Southern States Cooperative, Inc.
- 3 Eastern States Farmers' Exchange
- 4 The Farm Bureau Cooperative Association, Inc. (Ohio)
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- 16 Central Co-operative Wholesale
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- 18 Farmers Union State Exchange

NOTE: Associations numbered according to the range in size of business volume.



# HANDBOOK ON MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES, 1947 AND 1948

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Part I of this handbook presents concise comparable information for each of the 18 major regional farm supply cooperatives in the United States for their fiscal years ended in 1947 and 1948. Part II combines this information and analyzes it as a means of showing the character and significance of these associations as a group.

All except one of the associations described perform wholesale service for retail cooperative outlets of various types. One association distributes all supplies direct to individual purchasers. In addition to giving wholesale service, six associations are now distributing supplies direct to farmers through their own retail outlets. Seven associations also engage in the cooperative marketing of farm products. The individual reports in Part I show clearly the main points of similarity and of difference.

Unfortunately, it is not possible to provide information for a considerable number of regional farm supply purchasing cooperatives which have individual volumes of less than \$5 million. It should also be pointed out that there are many regional cooperative marketing associations that perform an extensive cooperative purchasing service. The Appendix presents information on the value of supplies distributed to farmers through four associations of this type which had a combined supply volume of more than \$60 million in 1948.

## PART I

### INDIVIDUAL REPORTS FOR 18 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES FOR FISCAL YEARS ENDED IN 1947 AND 1948

This section gives individual information for each of the 18 associations, including date of organization, area of service, types of local outlets, types of supplies handled and products marketed, dollar volume of wholesale, retail, and marketing business, distribution of savings, financial condition, and number of employees.

NOTE: Appreciation is expressed to the associations which provided the information used in the preparation of this handbook and to Mrs. Jeanne Franklin for her valuable aid.

COOPERATIVE GRANGE LEAGUE FEDERATION EXCHANGE, INC.

The Cooperative Grange League Federation Exchange, Inc., known as the "G.L.F.," was organized on June 28, 1920. It serves farmers in New York, New Jersey, and the northern tier of counties in Pennsylvania - the territory known as the "New York Milkshed." Its administrative offices are in Ithaca, N. Y.

The G.L.F. has a centralized form of organization. Its board of directors is directly responsible to its farmer-members. Membership is determined by ownership of common stock or by the extent of an individual's purchases or sales through the organization. Any farmer-patron who annually purchases or sells \$100 or more of supplies or produce through the organization qualifies as a member.<sup>1</sup>

The G.L.F. is an integrated organization since it performs manufacturing, processing, wholesaling, transportation, and retailing services. At the end of the fiscal year, June 30, 1948, the G.L.F. was providing the same type of service to about 150,000 regular farmer-patrons, or about two farmers out of every three in its service area.

On June 30, 1948, the G.L.F. was serving its patrons through the following types of retail organizations:

<u>Type of retail outlet</u>	<u>Number</u>
G.L.F. retail service stores (including 7 full branches).....	234
G.L.F. zero food branches.....	4
G.L.F. farm store branches.....	45
G.L.F. petroleum bulk plants (56 actually operating including 2 branches).....	59
G.L.F. agent buyers.....	335
Independent local cooperatives.....	38
Farmer agents.....	11
Supplementary agents.....	<u>25</u>
 Total retail outlets.....	 <u>751</u>

The G.L.F. retail service stores distribute farm supplies to and market farm products for G.L.F. patrons. They have a considerable amount of local autonomy although they are centrally financed and supervised through management contracts which may be canceled at any time by the service stores. The G.L.F. petroleum bulk plants are organized in a similar way except that they are located so that they can perform a specialized petroleum service for patrons over wider areas.

Agent-buyers are private businesses which have been granted a franchise to handle G.L.F. farm supplies in accordance with G.L.F. instructions. The independent local cooperatives are largely locally controlled farmers' marketing associations, which also perform a cooperative purchasing service. The farmer-agents are generally large individual buyers who occasionally also serve neighboring patrons.

<sup>1</sup>This has been changed as of July 1, 1948 to only farmer patrons who own at least one share of G.L.F. Exchange common stock.



These various types of retail outlets obtain G.L.F. supplies for redistribution under the same wholesale terms through the manufacturing plants and warehouses which the G.L.F. maintains at Buffalo, Albany, and other strategically located terminal centers. They also obtain supplies from other commercial sources.

The value of supplies distributed at wholesale by G.L.F. to these retail outlets for the fiscal years ending June 30, 1947 and 1948 was as follows:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed, flour, and cereals.....	\$81,399,605	\$99,122,329
Fertilizer and lime.....	7,317,334	9,488,544
Seed and seed potatoes <sup>2</sup> .....	4,179,374	4,596,369
Petroleum products.....	5,910,836	8,498,591
Tires, tubes, and accessories.....	1,461,623	1,509,550
Farm equipment, accessories, parts and tools.....	3,328,079	3,393,898
Steel and other metal products.....	1,275,594	1,984,880
Lumber, paint, roofing, cement, etc.....	1,687,486	1,783,847
Insecticides, sprays, soap and washing powder, shells, bedding, farm chemicals, etc.....	2,142,685	2,241,818
Rope and twine.....	521,810	361,036
Molasses and cod-liver oil.....	546,204	720,854
Package materials <sup>3</sup> .....	1,185,955	780,655
Miscellaneous <sup>4</sup> .....	508,530	757,290
Total value of supplies distributed at wholesale before elimination of intercompany business.....	\$111,465,115	\$135,239,661
Total value of supplies distributed at wholesale after elimination of estimated intercompany business.....	<u>\$111,223,795</u>	<u>\$135,117,639</u>

The value of services and supplies obtained at retail by farmers through G.L.F. managed retail outlets for the years ending June 30, 1947 and 1948 was as follows:

<u>Source of supplies or services</u>	<u>1947</u>	<u>1948</u>
G.L.F. retail service stores, farm store branches and zero food branches.....	\$77,192,342	\$93,505,595
G.L.F. petroleum bulk plants.....	9,187,241	12,405,065
Total value of services and supplies distributed at retail.....	<u>\$86,379,583</u>	<u>\$105,910,660</u>

<sup>2</sup>Does not include Fort Wayne shipments to non-G.L.F. outlets.

<sup>3</sup>Includes baskets and crates.

<sup>4</sup>Includes rubber and canvas, agency supplies, ladders, farm appliances, radios, and other commodities.

During recent years, the G.L.F. has greatly expanded its cooperative marketing services for farm products. In some cases, marketing operations are performed through G.L.F. retail service stores with such special facilities as may be required. In many cases, however, separate facilities such as canning plants are maintained. The following summary shows the types of marketing facilities maintained by G.L.F.:

<u>Type of marketing facilities</u>	<u>Number</u>
Canning plants.....	3
Bean plants.....	3
Flour and cereal plants.....	2
Produce auctions.....	3
Terminal egg sales agencies.....	5
Country egg stations.....	17
Terminal sales agencies for beans, wheat, canned goods, and fresh produce.....	2
Cold storage plants.....	3
Transportation service unit.....	1

The value of farm products marketed by G.L.F.<sup>5</sup> for the years ending June 30, 1947 and 1948 is shown below:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Eggs.....	\$6,878,571	\$8,556,305
Fruits and vegetables (including canned goods).....	4,495,165	3,464,835
Grain (including flours and cereals).....	2,108,276	4,937,315
Beans.....	2,001,209	2,203,961
Hay and straw.....	541,649	517,966
Miscellaneous and unclassified <sup>6</sup> .....	235,980	355,719
Purchasing from marketing units (egg cases, seed beans, seed and plants, containers, fertilizer and sprays, storage).....	<u>853,125</u>	<u>890,577</u>
Total value of farm products marketed after elimination of intercompany business.....	<u>\$17,113,975</u>	<u>\$20,926,678</u>

Net savings of the G.L.F. for the years ending June 30, 1947 and 1948 were derived as follows:

<u>Source of net savings</u>	<u>1947</u>	<u>1948</u>
Manufacturing and wholesale purchasing and marketing operations.....	\$3,298,138	\$4,920,434
G.L.F. retail service stores.....	1,108,847	1,665,232
G.L.F. retail petroleum distribution operations	208,556	225,388
Other operations.....	75,272	197,836
Less intercompany dividends.....	<u>-934</u>	<u>-907</u>
Total net savings.....	<u>\$4,689,879</u>	<u>\$7,007,983</u>

<sup>5</sup>Includes marketing by service stores.

<sup>6</sup>Includes poultry, livestock, and seed.

These net savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Interest on participation certificates.....	\$1,153	-
Cash dividends on stock.....	649,442	\$801,284
Patronage refunds in cash.....	3,685,485	4,582,729
Additions to reserves, adjustments, etc.....	<u>353,799</u>	<u>1,623,970</u>
Total net savings.....	<u>\$4,689,879</u>	<u>\$7,007,983</u>

The financial condition of the Cooperatives G.L.F. Exchange, Inc., and its wholesale subsidiaries as of June 30, 1947 and 1948 is shown in the following condensed consolidated balance sheet:

	<u>1947</u> (Corrected)	<u>1948</u>
Assets:		
Current assets.....	\$23,552,996	\$26,949,972
Fixed assets (net).....	5,176,544	<sup>8</sup> 9,530,243
Other assets (investments, etc.).....	<u>1,739,400</u>	<u>3,321,177</u>
Total assets.....	<u>\$30,468,940</u>	<u>\$39,801,392</u>
Liabilities and patrons' equity:.		
Current liabilities.....	\$12,505,851	\$10,337,279
Other liabilities.....	700,000	4,500,000
Reserves for contingent liabilities.....	1,189,922	138,290
Capital stock and patrons' equity.....	<u>16,073,167</u>	<sup>8</sup> 24,825,823
Total liabilities and patrons' equity....	<u>\$30,468,940</u>	<u>\$39,801,392</u>

The following tabulation shows the number and value of facilities owned and operated by the G.L.F. on June 30, 1948:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mills.....	3	\$5,789,537	\$4,328,605
Fertilizer and insecticide plants..	11	1,574,060	1,199,282
Seed cleaning plants.....	5	786,446	458,154
Wholesale farm supply warehouses...	8	408,850	377,287
Petroleum bulk storage terminals...	2	71,290	65,209
Retail farm supply stores.....	280	7,074,369	4,733,860
Bulk petroleum plants.....	59	<u>1,062,600</u>	542,528
Marketing warehouses and processing plants (includes 3 canning plants).....	37	2,382,349	1,928,482
Office buildings.....	1 (group)	586,901	435,048
Miscellaneous.....	3	148,247	133,162
Freezer-locker plants.....	5	<u>340,790</u>	<u>220,745</u>
Total value.....		<u>\$20,225,439</u>	<u>\$14,422,362</u>

<sup>7</sup>Includes reserves for price declines.

<sup>8</sup>Increase includes \$2,882,055 adjustment of depreciation to revised lower rates.



On June 30, 1948, G.L.F. had 3,953 employees. Of these, 255 were engaged in general administrative activities, 1,195 in manufacturing, warehousing, and processing operations, 2,085 in retail distribution, and 418 in marketing farm products. These figures do not include retail employees of independent cooperatives or agent-buyers and their employees who may spend most of their time in distributing G.L.F. farm supplies. The figures for the three operating groups include administrative, accounting, and clerical employees. The marketing group also includes processing employees in canning plants.

#### SOUTHERN STATES COOPERATIVE, INC.

The Southern States Cooperative, Inc., Richmond, Va., was organized on July 21, 1923, as the Virginia Seed Service. It reorganized in 1933 under its present name. At the end of its operating year on June 30, 1948, it was serving approximately 229,000 patrons in Virginia, West Virginia, Kentucky, Maryland, and Delaware. More than 95 percent of its patrons were farmers, and 90 percent were members. A farmer-patron becomes a member by acquiring ownership of a share of stock through the application of patronage refund payments.

On June 30, 1948, the Southern States Cooperative was serving its patrons through the following types of retail organization:

<u>Type of retail outlet</u>	<u>Number</u>
Local affiliated cooperatives:	
Farm supply stores with management contracts.....	102
Farm supply stores without management contracts.....	59
Petroleum service plants with management contracts.....	25
Locker plants with management contracts.....	10
Service agencies (private).....	651
Farmer agents (fertilizer only).....	143

The local affiliated cooperatives with management contracts are separately incorporated cooperatives whose boards of directors have employed Southern States through the medium of a management contract to render for the local association certain management, accounting, auditing and financial services for an agreed upon fee. Those without management contracts are independent associations which use the Southern States Cooperative as a wholesale source of supply. The service agencies are private retail supply dealers who have been awarded the Southern States franchise by the local membership, and under the terms of the franchise these dealers handle the supplies under agreed upon conditions. The farmer agents are individual farmers who pool fertilizer orders and arrange distribution for their neighbors in a few communities where service on fertilizer is not otherwise available.

In addition to performing a wholesale service for these groups of retail outlets, the Southern States Cooperative owns jointly with Farmers Cooperative Exchange of North Carolina, the Pennsylvania Farm Bureau Cooperative Association, and the Farm Bureau Cooperative Association

(Ohio), Cooperative Mills which manufactures feed for the above associations. Similarly, Cooperative Mills manufactures fertilizer for the Farmers Cooperative Exchange of North Carolina and the Pennsylvania Farm Bureau Cooperative Association.

The value of supplies distributed at wholesale through the retail outlets enumerated above, plus the value of supplies manufactured for the account of affiliated regional cooperatives, for the fiscal years ending June 30, 1947 and 1948, was as follows:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed.....	\$33,740,473	\$45,944,443
Fertilizer.....	8,135,005	10,126,629
Seed.....	3,984,379	4,549,453
Petroleum products.....	1,876,266	2,945,089
Auto accessories.....	795,455	690,723
Farm equipment and tools.....	984,619	1,300,150
Hardware and steel products.....	2,113,985	3,212,652
Paint and asphalt.....	674,660	822,267
Insecticides, sprays, and chemicals.....	1,038,331	993,887
Electrical equipment and appliances.....	789,634	1,079,824
Miscellaneous.....	256,209	127,089
	<u>                    </u>	<u>                    </u>
Total value of supplies distributed at wholesale.....	<u>\$54,389,016</u>	<u>\$71,792,206</u>

The value of supplies distributed at retail by Southern States Cooperative managed retail outlets amounted to \$21,252,302 in 1947 and \$28,820,099 in 1948. The value of eggs marketed by the association for its patrons amounted to \$2,626,175 in 1947 and \$2,551,242 in 1948. Poultry marketing amounted to \$3,099,441 in 1947 and \$4,858,134 in 1948. Grain marketed in 1947 amounted to \$1,036,765 and \$3,544,930 in 1948.

The combined value of all commodities handled by the Southern States Cooperative, including supplies at wholesale and retail and farm products marketed, amounted to \$82,403,699 in 1947 and \$111,566,611 in 1948.

The total savings from all operations amounted to \$1,878,928 in 1947 and \$1,764,441 in 1948. These savings were distributed in the following way:

<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Cash dividends on stock.....	\$524,905	\$597,828
Patronage refunds in cash.....	547,026	520,038
Patronage refunds paid in capital stock.....	721,419	646,575
Amount retained in reserves or unallocated.....	<u>85,578</u>	<u>-</u>
Total net savings.....	<u>\$1,878,928</u>	<u>\$1,764,441</u>



The financial condition of the Southern States Cooperative as of June 30, 1947 and 1948, is shown in the following condensed financial statement:

	<u>1947</u>	<u>1948</u>
Assets:		
Current assets.....	\$11,489,810	\$14,584,040
Fixed assets.....	8,970,496	10,679,847
Other assets.....	1,120,296	1,890,669
 Total.....	 <u>\$21,580,602</u>	 <u>\$27,154,556</u>
Liabilities and net worth:		
Current liabilities.....	\$2,822,543	\$3,253,868
Deferred liabilities.....	3,065,487	6,083,477
Net worth (capital and reserves).....	15,692,572	17,817,211
 Total.....	 <u>\$21,580,602</u>	 <u>\$27,154,556</u>

The following is a tabulation of the number and value of facilities owned and operated by the Southern States Cooperative on June 30, 1948:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Poultry and egg marketing outlets..	5	\$749,945	\$657,964
Frozen-food locker plants.....	10	617,047	570,558
Feed mills.....	5	2,986,750	2,154,888
Fertilizer plants.....	4	1,224,096	1,041,847
Seed cleaning plants and wholesale farm supply warehouses.....	9	2,104,747	1,820,217
Southern States Cooperative retail service stores.....	102	1,226,647	1,016,475
Bulk petroleum plants.....	25	869,695	749,212
Oil delivery trucks.....	74	320,489	238,905
Transport trucks.....	29	130,845	85,714
General delivery trucks.....	216	427,866	257,868
Research and analysis laboratory..	1	11,875	4,407
Grain Marketing Facilities.....	2	180,258	163,374
 Total value.....		 <u>\$10,850,260</u>	 <u>\$8,761,429</u>

On June 30, 1948, the Southern States Cooperative had 2,218 employees. Of these, 320 were engaged in general administrative activities, 1,350 in manufacturing and processing operations or in marketing operations, and 548 in retail distribution.

#### EASTERN STATES FARMERS' EXCHANGE, INC.

The Eastern States Farmers' Exchange, Incorporated, with headquarters at West Springfield, Mass., was organized on January 28, 1918. By

December 31, 1947, it was serving 118,318 patrons located in the six New England States, Pennsylvania (except for the northern tier of counties), Delaware, and part of Maryland.

Membership in the Eastern States is determined by patronage. Every farmer who purchases through Eastern States becomes a member and remains a member for 2 years, beginning January 1, after the date of his last purchase. Only 2 percent of the 1947 volume of business was with non-farmers.

The Eastern States serves its patrons through 451 farmer-representatives, through 22 independent cooperative associations that also serve as representatives, and through 75 regional branch warehouses strategically located to supplement local car-door distribution.

The Eastern States is an integrated farmers' cooperative production supply procurement agency. Supplies to patrons in 1947 and 1948 were as follows:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed and grain.....	\$68,693,229	\$70,598,398
Field seeds.....	1,745,340	2,113,865
Seed potatoes.....	1,379,123	1,330,021
Vegetable seeds.....	214,828	222,871
Fertilizer and lime.....	3,223,790	4,058,056
Spray materials.....	791,224	861,613
Miscellaneous (roofing, paints, lubricants, etc.).....	<u>1,056,335</u>	<u>1,246,114</u>
Total value of supplies distributed at wholesale.....	<u>\$77,103,869</u>	<u>\$80,430,938</u>

Net savings of patrons on purchases made through their Eastern States' agency were \$1,453,178 in 1947 and \$2,127,739 in 1948. These savings were distributed in the following way:

<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Patronage refunds in cash.....	\$973,630	\$1,425,585
Amount allocated to members and retained.....	<u>479,548</u>	<u>702,154</u>
Total net savings.....	<u>\$1,453,178</u>	<u>\$2,127,739</u>

The financial statements for the Eastern States Farmers' Exchange as of December 31, 1947 and 1948, were as follows:

	<u>1947</u>	<u>1948</u>
Assets:		
Current assets.....	\$10,874,028	\$11,502,374
Fixed assets.....	8,376,814	8,544,442
Other assets.....	<u>898,939</u>	<u>889,907</u>
Total assets.....	<u>\$20,149,781</u>	<u>\$20,937,223</u>
Liabilities and net worth:		
Current liabilities.....	\$2,223,288	\$3,308,576
Fixed indebtedness.....	11,000,000	10,000,000
Net worth (patrons' equity).....	<u>6,926,493</u>	<u>7,628,647</u>
Total liabilities and net worth.....	<u>\$20,149,781</u>	<u>\$20,937,223</u>

It is significant that all the net worth, or patrons' equity, in this non-stock, farmers' cooperative was accumulated through retained savings. In other words, each patron has contributed to the structure in proportion to the use he has chosen to make of the services provided.

On December 31, 1948, the Eastern States had 1,280 employees, of whom 427 were employed in general administration, 614 in manufacturing and processing, and 239 in distributing through its warehouses. These figures include only employees on the payroll of the organization. They do not include farmer-representatives and employees of cooperatives that distribute supplies for the Eastern States for which local handling charges are paid by members direct to the local representative or agency.

#### THE FARM BUREAU COOPERATIVE ASSOCIATION, INC. (OHIO)

The Farm Bureau Cooperative Association, Inc., with headquarters at Columbus, Ohio, was organized in its present form on July 31, 1933. At the end of its operating year, December 31, 1948, it was serving 88 member associations which had 212 distribution points in the State of Ohio. These cooperative outlets served 175,000 patrons, of whom 92 per cent were farmers.

The value of supplies distributed at wholesale by The Farm Bureau Cooperative Association, Inc. during 1947 and 1948 is shown in the following summary:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed.....	\$11,410,375	\$11,225,999
Fertilizer.....	3,857,233	4,258,688
Seed and seed potatoes.....	1,219,907	2,161,276
Gas, oil and grease.....	6,331,995	7,946,123
Tires, tubes and other accessories.....	261,641	230,327
Farm machinery.....	2,232,409	3,831,371
Farm equipment.....	340,227	219,769
Steel products.....	1,905,269	1,677,029
Lumber, paint and other maintenance equipment.....	1,397,071	1,370,937
Insecticides.....	375,738	344,530
Electrical equipment and appliances.....	805,202	259,568
Coal.....	367,082	505,796
Miscellaneous farm supplies.....	<u>1,322,725</u>	<u>837,267</u>
 Total value of supplies distributed at wholesale.....	 <sup>9</sup> \$31,826,874	 <sup>10</sup> \$34,868,680

<sup>9</sup>Includes \$70,935 intercompany transactions.

<sup>10</sup>Includes \$41,502 intercompany transactions.



The value of farm products marketed through The Farm Bureau Cooperative Association, Inc., amounted to the following:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Grain.....	\$13,778,815	\$17,940,757
Eggs.....	<u>1,822,804</u>	<u>1,853,859</u>
 Total value of farm products marketed.....	 <u>\$15,601,619</u>	 <u>\$19,794,616</u>

The total net savings from all operations amounted to \$1,855,203 in 1947 and \$1,442,908 in 1948. The distribution of these savings was as follows:

<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Cash dividends on stock.....	\$194,465	\$258,945
Cash patronage refunds.....	9,176	9,235
Patronage refunds in capital stock.....	1,095,000	814,000
Amount retained in reserves.....	<u>556,561</u>	<u>360,727</u>
 Total net savings.....	 <u>\$1,855,202</u>	 <u>\$1,442,907</u>

The financial condition of the Farm Bureau Cooperative Association, Inc., as of December 31, 1947 and 1948 is shown in the following condensed financial statement:

	<u>1947</u>	<u>1948</u>
Assets:		
Current assets.....	\$10,216,004	\$8,364,173
Fixed assets.....	2,249,059	2,264,404
Other assets.....	<u>3,226,208</u>	<u>4,649,043</u>
 Total assets.....	 <u>\$15,691,271</u>	 <u>\$15,277,620</u>
Liabilities and net worth:		
Current liabilities.....	\$5,929,859	\$3,302,282
Other liabilities.....	1,916,284	2,286,022
Net worth (capital & reserves).....	<u>7,845,128</u>	<u>9,689,316</u>
 Total liabilities and net worth.....	 <u>\$15,691,271</u>	 <u>\$15,277,620</u>

Sixty-three percent of the net worth was accumulated through the sale of stock and 37 percent was built up by savings.

The principal operating facilities owned and operated by The Farm Bureau Cooperative Association, Inc., at the close of the 1948 fiscal year are listed below:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depreciated value</u>
Feed mills.....	4	\$822,281	\$520,927
Fertilizer plants.....	5	636,342	326,105
Wholesale farm supply whses.....	6	266,886	178,277
Transport trucks.....	7	81,773	35,579
Oil delivery trucks.....	16	238,916	158,445
Total value.....		<u>\$2,146,198</u>	<u>\$1,219,333</u>

In addition to the facilities listed, the association has invested \$4,147,433 in feed, fertilizer, petroleum processing, and other facilities jointly owned with other cooperative associations.

As of December 31, 1948, The Farm Bureau Cooperative Association, Inc., had 554 employees. Of this number, 200 were engaged in general administration, 243 in manufacturing and processing, and 111 in wholesale distribution.

#### CONSUMERS COOPERATIVE ASSOCIATION

The Consumers Cooperative Association, Kansas City, Mo., was organized in 1929. At the end of its operating year, August 31, 1948, it served 1,411 member and 501 nonmember associations in Missouri, Kansas, Oklahoma, Nebraska, Iowa, Colorado, North Dakota, South Dakota, Utah, and Wyoming. These associations, in turn, served approximately 300,000 patrons, of whom about 98 percent were farmers.

The value of supplies distributed at wholesale by the Consumers Cooperative Association and subsidiaries is shown in the following summary for the fiscal years ending August 31, 1947 and 1948:

<u>Commodity</u>	<u>1947 (Revised)</u>	<u>1948</u>
Refined fuels and gas.....	\$19,575,531	\$28,435,394
Lube oil, grease, etc.....	6,576,054	8,947,995
Propane gas and equipment.....	896,500	1,449,155
Automotive and station supplies.....	2,042,276	1,656,689
Building supplies.....	2,473,391	2,903,500
Food products and store supplies.....	1,168,273	1,261,808
Appliances.....	546,465	582,333
Farm equipment.....	1,232,562	2,103,551
Feed and fertilizer.....	3,861,858	6,848,033
Transportation services.....	21,692	168,805
Gross merchandise and services....	<u>\$38,394,602</u>	<u>\$54,357,263</u>
Less: Discounts allowed.....	217,123	285,853
Net merchandise and services.....	<u>\$38,177,479</u>	<u>\$54,071,410</u>



The Consumers Cooperative Association now employs two subsidiary corporations to perform manufacturing services - the Cooperative Refinery Association, Kansas City, and the Bridgeport Oil Company, Wichita, Kans.

All of the common stock of the Cooperative Refinery Association and substantially all of the common stock of Bridgeport Oil Company is owned by the Consumers Cooperative Association. Savings of the subsidiaries after reserves have been created and dividends paid on common and preferred stock accrue to the Consumers Cooperative Association. For that reason, the full financial condition of the enterprise controlled by the Consumers Cooperative Association can only be shown by combining the financial statements of the Consumers Cooperative Association with those of its subsidiary corporations.

The consolidated balance sheet of the Consumers Cooperative Association and its subsidiaries for the years ending August 31, 1947 and 1948 was as follows:

	<u>1947</u>	<u>1948</u>
Assets:		
Current assets.....	\$9,617,067	\$14,941,565
Fixed assets.....	9,774,815	18,041,559
Other assets.....	<u>5,412,746</u>	<u>7,541,317</u>
Total assets.....	<u>\$24,804,628</u>	<u>\$40,524,441</u>
Liabilities and net worth:		
Current liabilities.....	\$4,766,530	\$8,932,719
Other liabilities.....	6,191,085	10,064,466
Net worth.....	<u>13,847,013</u>	<u>21,527,256</u>
Total liabilities and net worth....	<u>\$24,804,628</u>	<u>\$40,524,441</u>

The following summary shows the combined net savings of the Consumers Cooperative Association and its subsidiaries for the years ending August 31, 1947 and 1948:

	<u>1947</u>	<u>1948</u>
Consumers Cooperative Association.....	\$1,125,347	\$2,153,939
Cooperative Refinery Association.....	2,734,282	6,166,267
Cooperative Pipe Line Association.....	<u>-52,798</u>	<u>-</u>
Total net savings.....	<u>\$3,806,831</u>	<u>\$8,320,206</u>

These savings were distributed in the following manner for the 2 years:

<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Cash dividends on stock.....	\$117,219	\$103,888
Patronage refunds in cash.....	51,999	65,205
Patronage refunds in share capital.....	810,805	2,862,745
Additions to reserves.....	1,134,450	1,628,609
Deferred patronage refunds and revolving fund	1,692,358	3,244,655
Provision for income tax.....		415,104
Total net savings.....	<u>\$3,806,831</u>	<u>\$8,320,206</u>

The Consumers Cooperative Association and its subsidiary corporations had 2,326 employees on August 31, 1948; 573 were employed in general administration, 1,452 in manufacturing and processing,<sup>11</sup> 301 in whole-sale distribution.

#### ILLINOIS FARM SUPPLY COMPANY

The Illinois Farm Supply Company, with headquarters in Chicago, was organized in 1927. At the end of its operating year on August 31, 1948, it was providing a wholesale farm supply service for 165 member associations throughout the State of Illinois<sup>12</sup>. The member associations, in turn, served about 125,000 patrons, of whom 97 percent were farmers. Member associations must be organized under the Agricultural Cooperative Act of Illinois and must conform to its principles of the Capper-Volstead Act. They must also be engaged wholly or partly in cooperative distribution of farm supplies.

The value of supplies distributed at wholesale by the Illinois Farm Supply Company during the fiscal years ending August 31, 1947 and 1948 was as follows:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed.....	\$ 4,659,714	\$7,868,297
Fertilizer.....	2,820,862	4,093,445
Petroleum products.....	17,093,453	23,544,683
Tires, tubes, and accessories.....	1,355,742	975,588
Farm equipment.....	619,121	995,169
Steel products.....	530,263	503,363
Lumber, paint and other maintenance equipment.....	1,188,133	1,459,203
Insecticides.....	120,633	360,987
Electrical equipment.....	168	98
Twine.....	77,612	70,891
Miscellaneous <sup>13</sup> .....	2,895,428	3,048,514
Total value of supplies distributed at wholesale.....	<u>\$31,361,129</u>	<u>\$42,919,238</u>

<sup>11</sup>Three hundred eight were employed in canning operations during canning season only.

<sup>12</sup>Eighty-four of the member associations are cooperative petroleum service companies that operate over county-wide areas. The remaining 81 are farmers' cooperatives of various types.

<sup>13</sup>Miscellaneous figures include the gross freight income of the transportation department.

The total net savings from all operations amounted to \$2,203,921 in 1947 and \$1,583,424<sup>14</sup> in 1948. These savings were distributed for the 2 years in the following way:

<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Cash dividends on stock.....	\$75,600	\$156,908
Patronage refunds in cash.....	1,809,073	926,516
Additions to reserves.....	319,248	500,000
Total net savings.....	<u>\$2,203,921</u>	<u>\$1,583,424</u>

The financial condition of the Illinois Farm Supply Company as of August 31, 1947 and 1948 was as follows:

	<u>1947</u>	<u>1948</u>
Assets:		
Current assets.....	\$4,801,205	\$5,221,531
Fixed assets.....	889,518	1,568,307
Other assets <sup>15</sup> .....	230,005	4,094,355
Total assets.....	<u>\$5,920,728</u>	<u>\$10,884,193</u>
Liabilities and net worth:		
Current liabilities.....	\$2,532,584	\$3,569,273
Other liabilities.....	233,561	240,437
Net worth (capital and reserves).....	<u>3,154,583</u>	<u>7,074,483</u>
Total liabilities and net worth.....	<u>\$5,920,728</u>	<u>\$10,884,193</u>

On August 31, 1948, 69 percent of the net worth had been accumulated through the sale of stock while 31 percent represented retained savings.

The type and value of the principal operating facilities owned by the Illinois Farm Supply Company as of August 31, 1948 was as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mill.....	1	\$211,458	\$188,312
Marine terminal bulk petroleum plants	2	211,673	141,282
Transport trucks.....	29	353,633	166,546
Barges.....	6	181,909	137,425
Towboats.....	2	184,719	109,406
Laboratory.....	1	9,932	6,014
Tire recapping plant.....	1	11,629	1,812
Other operating facilities.....		132,885	79,013
Construction in progress <sup>16</sup> .....		738,497	738,497
Total value.....		<u>\$2,036,335</u>	<u>\$1,568,307</u>

<sup>14</sup>This is net savings after deducting payment of income tax of \$414,308. Total earnings before tax = \$1,997,732.

<sup>15</sup>Other assets include investment in wholly owned subsidiaries (1 refinery, 1 pipeline). Also investment in 5 refineries and other small investments.

<sup>16</sup>Fertilizer plant, warehouses, feed mill, barges and towboat in process of construction.



As of August 31, 1948, the Illinois Farm Supply Company had 302 employees, 114 were engaged in general administration, and 188 in wholesale distribution.

#### INDIANA FARM BUREAU COOPERATIVE ASSOCIATION, INC.

The Indiana Farm Bureau Cooperative Association, Inc., with headquarters at Indianapolis, Ind., was organized in its present form in February, 1927. At the end of its operating year, December 31, 1948, it was serving 85 county farm bureau cooperative associations in Indiana<sup>17</sup> and 1 in Kentucky. These 86 associations distribute supplies to approximately 130,000 patrons, 95 percent of whom are farmers.

Supplies distributed at wholesale by the Indiana Farm Bureau Cooperative Association, Inc., during 1947 and 1948 were as follows:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed.....	\$5,234,688	\$5,556,596
Fertilizer.....	3,056,259	3,784,973
Seed.....	1,139,243	1,309,107
Gas, oil and grease.....	8,409,177	12,094,513
Tires, tubes, and other accessories.....	309,501	297,239
Farm machinery.....	3,088,548	4,699,111
Farm equipment.....	396,779	338,672
Steel products.....	3,070,042	2,402,663
Lumber, paint, and other maintenance equipment.....	4,047,485	3,306,532
Insecticides.....	121,247	149,111
Electrical equipment and appliances.....	841,859	865,657
Twine.....	68,315	40,501
Coal.....	1,673,460	1,501,950
Chicks, eggs, and poultry.....	215,931	229,058
Miscellaneous.....	787,936	812,821
Hog serum and virus.....		133,735
Total value of supplies distributed at wholesale.....	<u>\$32,460,470</u>	<u>\$37,522,239</u>

The farm products marketed by the association in 1947 included poultry and eggs. Their total value was \$390,531 in 1947 and \$1,604,098 in 1948.

The total net savings on all operations amounted to \$2,915,049 in 1947 and \$3,347,253 in 1948. Savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Cash dividends on stock.....	\$287,102	\$431,102
Patronage refunds in cash.....	2,102,358	2,916,151
Amount retained in reserves.....	525,589	-
Total net savings.....	<u>\$2,915,049</u>	<u>\$3,347,253</u>

<sup>17</sup>Many of these county cooperatives also render marketing service for grain, wool, poultry, eggs, and other products through related State Farm Bureau marketing associations.

The financial condition of the Indiana Farm Bureau Cooperative Association, Inc., as of December 31, 1947 and 1948, is shown in the following condensed financial statement:

	<u>1947</u>	<u>1948</u>
Assets:		
Current assets.....	\$5,873,263	\$12,819,201
Fixed assets.....	3,029,244	4,701,751
Other assets.....	<u>4,336,630</u>	<u>6,975,003</u>
Total assets.....	<u>\$13,239,137</u>	<u>\$24,495,955</u>
Liabilities and net worth:		
Current liabilities.....	\$1,067,415	\$7,261,224
Other liabilities.....	45,774	1,859,769
Net worth (capital and reserves).....	<u>12,125,948</u>	<u>15,374,962</u>
Total liabilities and net worth.....	<u>\$13,239,137</u>	<u>\$24,495,955</u>

On December 31, 1948, 79 percent of the net worth represented retained savings; the remaining 21 percent had been accumulated through the sale of stock.

At the close of 1948, the Indiana Farm Bureau Cooperative Association, Inc., owned and operated the following principal facilities:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Fertilizer plants.....	1	\$978,531	\$804,203
Seed cleaning plants.....	1	49,926	32,312
Wholesale farm supply warehouses....	1	368,497	344,100
Petroleum refinery.....	1	2,056,299	1,555,082
Transport trucks.....	21	253,158	135,836
General delivery trucks.....	26	36,162	23,439
Barges.....	2	<u>64,722</u>	<u>41,235</u>
Total value.....		<u>\$3,807,295</u>	<u>\$2,936,207</u>

In addition to the above, the association held investments of approximately \$2,275,000 in facilities jointly owned with other cooperative associations.

At the close of the 1948 season the association had 714 employees of whom 208 were engaged in general administrative activities, 335 in manufacturing and processing, and 171 in wholesale distribution work.



## FARMERS UNION CENTRAL EXCHANGE, INC.

The Farmers Union Central Exchange, Inc., with headquarters at St. Paul, Minn., was organized in 1931. At the end of its 1948 fiscal year, December 31, 1948, it was serving 450 active member associations with approximately 200,000 patrons, 90 percent of whom were farmers. It was also serving 200 nonmember associations with 150,000 patrons, 80 percent of whom were farmers. The Exchange operates in North Dakota, South Dakota, Montana, Minnesota, Wisconsin, Idaho, and Wyoming.

Supplies distributed at wholesale by the Farmers Union Central Exchange, Inc., during 1947 and 1948 were as follows:

	<u>1947</u>	<u>1948</u>
Feed, seed, flour, and fertilizer.....	\$2,522,295	\$3,247,451
Gas, oil, and grease.....	17,166,506	23,728,402
Tires, tubes, and other accessories.....	3,188,323	2,611,777
Farm machinery.....	1,380,598	2,942,162
Steel products.....	321,053	324,357
Lumber, paint and other maintenance equipment.....	1,432,174	1,117,592
Hardware and building equipment.....	794,275	761,378
Insecticides.....	22,629	21,564
Electrical equipment and appliances.....	734,720	773,818
Twine.....	259,232	160,983
Coal.....	21,165	10,552
Groceries.....	190,115	159,674
Miscellaneous.....	484,241	316,333
Agricultural chemicals.....	_____	_____
	_____	_____
Total value of supplies distributed at wholesale.....	<u>\$28,517,326</u>	<u>\$36,410,143</u>

The total net savings on supply operations amounted to \$2,428,512 in 1947 and \$2,907,180 in 1948. In addition, savings in the form of stock and stock credits from other cooperatives amounted to \$588,744 in 1947 and \$1,840,415 in 1948. The net savings totaled \$3,017,256 for 1947 and \$4,747,595 for 1948. These savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Cash.....	\$113,473	\$158,615
Educational fund.....	137,643	221,789
Patronage refunds in capital stock.....	1,891,668	2,998,597
Amount retained in reserves.....	734,046	1,186,899
Employees' savings-sharing fund.....	140,426	181,695
	_____	_____
Total net savings.....	<u>\$3,017,256</u>	<u>\$4,747,595</u>

The financial condition of the Farmers Union Central Exchange, Inc., as of December 31, 1947 and 1948, is shown in the following condensed financial statement:

	<u>1947</u>	<u>1948</u>
Assets:		
Current assets.....	\$7,184,931	\$8,264,691
Fixed assets.....	2,078,325	2,182,596
Other assets.....	310,881	304,550
Investments.....	2,940,977	7,735,594
Total assets.....	<u>\$12,515,114</u>	<u>\$18,487,431</u>
Liabilities and net worth:		
Current liabilities.....	\$3,215,665	\$3,223,188
Non-current liabilities.....	100,794	1,781,815
Net worth (capital and reserves).....	9,198,655	13,482,428
Total liabilities and net worth..	<u>\$12,515,114</u>	<u>\$18,487,431</u>

The Farmers Union Central Exchange, Inc., owned and operated the following facilities at the close of 1948:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouses....	5	\$231,952	\$186,204
Oil blending plant and main bldg....	8	968,861	852,443
Oil blending equipment.....		73,424	33,506
Auto and trucks.....		77,107	62,892
Furniture and fixtures.....		204,984	147,755
Refinery property.....	1	1,432,990	686,359
Bulk plant and equipment.....		19,513	12,865
Bottle gas plants and equipment....	4	143,286	123,500
Other facilities.....		103,396	77,072
Total value.....		<u>\$3,255,513</u>	<u>\$2,182,596</u>

On December 31, 1948, the Farmers Union Central Exchange, Inc., had 419 employees engaged in wholesale distribution, refining, and production.

#### FARMERS COOPERATIVE EXCHANGE, INC.

The Farmers Cooperative Exchange, Inc., known as F.C.X., with headquarters at Raleigh, N. Car., was organized on March 12, 1934. It serves approximately 140,000 patrons in North Carolina and South Carolina, almost all of whom are farmers.<sup>18</sup>

<sup>18</sup>The F.C.X. is closely related to the North Carolina Cotton Growers Cooperative Association. The board of directors interlock and the same general manager serves both organizations. The cotton handled by the North Carolina Cotton Growers Association was valued at approximately \$9,000,000 during the 1947 season and \$10,170,000 during the 1948 season. The association's net worth as of June 30, 1947 totalled \$651,895 and of June 30, 1948 \$663,003.00.

The F.C.X. distributes supplies through 49 F.C.X. centrally managed retail service stores, 36 independent cooperative associations, 180 private dealer agencies, and approximately 100 farmer "order takers" for fertilizer.

Supplies distributed at wholesale by the F.C.X. were as follows for the year ending June 30, 1947 and 1948:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feeds.....	\$4,914,936	\$5,509,706
Fertilizer.....	1,118,539	1,615,195
Seed.....	1,576,130	1,876,443
Steel.....	1,156,686	1,630,600
Paint.....	63,933	70,611
Farm machinery.....	328,664	631,913
Electrical appliances.....	190,386	314,113
Oil, tires, and tubes.....	65,091	54,932
Sprays and dusts.....	581,053	488,080
Miscellaneous.....	<u>3,133,240</u>	<u>4,021,604</u>
Total value of supplies distributed at wholesale.....	<u>\$13,128,658</u>	<u>\$16,213,197</u>

The value of supplies distributed at retail by F.C.X.-managed retail outlets amounted to \$9,105,707 in 1947, and \$12,149,930 in 1948.

The value of farm products marketed by the F.C.X. was as follows for 1947 and 1948:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Seeds.....	\$1,159,299	\$1,493,238
Eggs, poultry, livestock, and miscellaneous....	<u>612,020</u>	<u>924,793</u>
Total value of farm products marketed.....	<u>\$1,771,319</u>	<u>\$2,418,031</u>

The total net savings of the combined operations of the F.C.X. amounted to \$614,071 at the end of the fiscal year June 30, 1947, and \$521,010 at the end of the fiscal year June 30, 1948. These savings were distributed in the following way:

<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Cash dividends on stock.....	\$57,669	\$92,931
Cash patronage refunds (by Mecklenburg FCX).....	19,222	18,462
Patronage refunds in capital stock.....	426,118	391,802
Amount retained in reserves.....	<u>111,062</u>	<u>17,815</u>
Total net savings.....	<u>\$614,071</u>	<u>\$521,010</u>



The financial condition of the F.C.X. as of June 30, 1947 and 1948 is shown in the following condensed financial statement:

Assets:	<u>1947</u>	<u>1948</u>
Current assets.....	\$2,442,417	\$3,293,706
Fixed assets (depreciated).....	510,713	980,205
Other assets.....	641,048	827,835
Total assets.....	<u>\$3,594,178</u>	<u>\$5,101,746</u>
Liabilities and net worth:		
Current liabilities.....	\$1,027,382	\$1,877,471
Net worth (capital and reserves).....	2,566,796	3,224,275
Total liabilities and net worth.....	<u>\$3,594,178</u>	<u>\$5,101,746</u>

The F.C.X. and Southern States Cooperative, Inc., jointly own a cooperative feed mill at Statesville, N. Car. They jointly manufacture feed at Cooperative Mills in Norfolk and Roanoke, Va., and fertilizer at a cooperative fertilizer plant in Norfolk. The F.C.X. investment in these facilities on June 30, 1948 amounted to \$501,654. The F.C.X. also owns 15 seed-cleaning plants and 68 general delivery trucks.

At the close of the 1948 fiscal year the F.C.X. had 610 employees, 90 engaged in general administration, 485 in retail distribution, and 35 in wholesale distribution.

#### MIDLAND COOPERATIVE WHOLESALE

The Midland Cooperative Wholesale, with headquarters at Minneapolis, Minn., was organized on September 8, 1926. At the end of its operating year on December 31, 1948, it was serving 600 member associations with 225,000 patrons, 95 percent of whom were farmers. It was also serving 100 nonmember associations with 11,000 patrons, 90 percent of whom were farmers. The association operates throughout Minnesota except for the northeastern quarter. It also operates throughout Wisconsin except for the extreme north and northwest, in northern Iowa, and in the extreme eastern part of the Dakotas.

The value of supplies distributed at wholesale by the Midland Cooperative Wholesale in 1947 and 1948 was as follows:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed, flour, and middlings.....	\$1,988,686	\$3,124,281
Fertilizer.....	1,370,372	1,615,507
Seed.....	688,121	594,596
Gas, oil, and grease.....	11,383,499	16,520,612
Tires, tubes, and accessories.....	1,919,182	1,410,961
Farm machinery.....	796,716	1,615,771
Equipment.....	642,839	754,410
Steel products.....	411,343	505,247
Paint, etc.....	201,462	192,008
Insecticides.....	13,387	61,915
Electrical equipment.....	1,385,467	1,063,335
Coal.....	120,048	229,623
Groceries and dry goods.....	1,542,295	1,436,664
Hardware.....	426,953	420,209
Miscellaneous.....	6,519	4,833
Total value of products distributed at wholesale.....	<u>\$22,896,889</u>	<u>\$29,549,972</u>

The total net savings on supply operations, after income tax, amounted to \$1,026,708 in 1947 and \$2,069,228 in 1948. These savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Cash dividends on stock.....	\$112,790	\$165,969
Patronage refunds in capital stock.....	822,526	1,712,933
Amount retained in unallocated surplus.....	<u>91,392</u>	<u>190,326</u>
 Total net savings after all income taxes, Federal and State.....	 <u>\$1,026,708</u>	 <u>\$2,069,228</u>

The financial condition of the Midland Cooperative Wholesale as of December 31, 1947 and 1948, is shown in the following condensed financial statement:

	<u>1947</u>	<u>1948</u>
Assets:		
Current assets.....	\$4,750,914	\$6,528,892
Fixed assets.....	2,576,220	3,780,437
Other assets.....	<u>2,683,951</u>	<u>5,589,194</u>
 Total assets.....	 <u>\$10,011,085</u>	 <u>\$15,898,523</u>
Liabilities and net worth:		
Current liabilities.....	\$1,789,123	\$3,986,658
Other liabilities.....	2,370,600	3,157,025
Net worth (capital and reserves).....	<u>5,851,362</u>	<u>8,754,840</u>
 Total liabilities and net worth.....	 <u>\$10,011,085</u>	 <u>\$15,898,523</u>

On December 31, 1948, the Midland Cooperative Wholesale owned and operated the following principal facilities:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Crude oil properties.....		\$2,846,442	\$2,129,820
Refinery (complete).....	1	1,420,884	1,040,836
Oil blending plants and bulk petroleum plants and warehouses...	2	768,059	583,654
Transport trucks and trailers.....		32,641	17,094
Other properties.....		<u>13,525</u>	<u>9,033</u>
 Total value.....		 <u>\$5,081,551</u>	 <u>\$3,780,437</u>



Investments by Midland in other production and operating facilities made jointly with other cooperatives were as follows at the end of 1948:

<u>Type of facility</u>	<u>Amount invested</u>
Fertilizer, feed, and seed processing.....	\$950,009
Shingle mill and timber.....	23,727
Refinery and pipe line.....	3,494,700
Farm machinery factories.....	179,200
Soybean mill.....	106,816
Properties of National Cooperatives, Inc. (including milking machine factory).....	358,462
Coal mine.....	<u>155,000</u>
 Total investments.....	 <u>\$5,267,914</u>

At the close of the 1948 operating season, the Midland Cooperative Wholesale had 353 employees engaged in general administration and whole-sale distribution and 176 in production.

#### FRUIT GROWERS SUPPLY COMPANY

The Fruit Growers Supply Company, Los Angeles, Calif., organized in October 1907, is the oldest major farmers' purchasing association. It serves 192 member citrus fruit packing associations with 14,000 farmer-members who are located in the citrus districts of California and Arizona. Although separately incorporated and managed, it is in fact the supply department for the California Fruit Growers Exchange members.

The wholesale supply sales of the Fruit Growers Supply Company were distributed during 1947 and 1948 as follows:

<u>Commodities</u>	<u>1947</u>	<u>1948</u>
Fertilizer.....	\$2,573,981	\$2,172,868
Miscellaneous orchard supplies.....	623,038	714,085
Insecticides.....	1,794,386	1,524,129
Box shock, tissue paper wraps, and other packing supplies.....	<u>16,715,776</u>	<u>17,265,375</u>
 Total wholesale supply sales.....	 <u>\$21,707,181</u>	 <u>\$21,676,457</u>

The total patronage refunds on these sales amounted to \$2,264,010 in 1947, and \$2,022,336 in 1948. All refunds were distributed in cash.

The financial condition of the Fruit Growers Supply Company as of December 31, for 1947 and 1948 is shown in the following condensed financial statement:

	<u>1947</u>	<u>1948</u>
Assets:		
Current assets.....	\$7,750,249	\$8,206,470
Fixed and other assets.....	<u>12,800,673</u>	<u>12,597,247</u>
Total assets.....	<u>\$20,550,922</u>	<u>\$20,803,717</u>
Liabilities and net worth:		
Current liabilities.....	\$7,752,237	\$6,039,796
Other liabilities.....	6,675,217	8,430,837
Net worth (capital and reserves).....	<u>6,123,468</u>	<u>6,333,084</u>
Total liabilities and net worth.....	<u>\$20,550,922</u>	<u>\$20,803,717</u>

The Fruit Growers Supply Company owns and operates three lumber and box shooK manufacturing plants.

On December 31, 1948, the company had approximately 2,575 employees.

#### M. F. A. MILLING COMPANY

The M.F.A. Milling Company, with headquarters at Springfield, Mo., was organized in 1923 and reorganized on its present basis in 1929. At the end of its operating year on June 30, 1948, it was serving 165 local M.F.A. farmers' cooperative exchanges with 60,000 farmer members. The M.F.A. Milling Company, the largest wholesale purchasing association affiliated with the Missouri Farmers Association, is owned by local M.F.A. cooperatives in south Missouri<sup>19</sup>. The local cooperatives, in turn, are owned by the M.F.A. members which they serve. The M.F.A. Milling Company is organized on a nonstock, nonprofit plan and is financed by patrons' equities. Half of the board of directors is named by the local cooperatives it serves and which constitute its membership, and the other half is named by the State Board of the Missouri Farmers Association.

<sup>19</sup>In addition to the M.F.A. Milling Company, 9 of the 25 major agencies affiliated with the M.F.A. are engaged in the purchasing of farm supplies. These 10 major agencies, including the M.F.A. Milling Company, handled \$32,537,405 worth of farm supplies in the fiscal year ending in 1947, and \$33,781,134 in the fiscal year ending in 1948. Feed supplies made up the major share of this volume, accounting for about 75 percent of the total. The next largest item was petroleum products which comprised about 11 percent of the total volume.

These 10 M.F.A. affiliated major agencies had assets in 1948 of \$12,703,810 compared to liabilities of \$5,808,107 and a net worth of \$8,895,703.

These purchasing operations do not include the data on 245 local M.F.A. exchanges, as there would be some duplication between their volume and that of the major agencies.

Supplies distributed at wholesale by the M.F.A. Milling Company were as follows during the year ending June 30, 1947 and 1948:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed.....	\$13,320,739	\$18,154,132
Seed.....	533,070	598,537
Wire.....	214,056	286,113
Twine.....	51,915	57,117
Paint.....	25,204	33,496
Total value of supplies distributed at wholesale.....	<u>\$14,144,984</u>	<u>\$19,129,395</u>

The total net savings amounted to \$517,393 in 1947 and \$833,039 in 1948.

The following condensed financial statement shows the financial condition of the M.F.A. Milling Company as of June 30, 1947 and 1948:

	<u>1947</u>	<u>1948</u>
Assets:		
Current assets.....	\$1,668,143	\$2,103,246
Fixed assets.....	634,678	679,353
Other assets.....	76,015	115,369
Total assets.....	<u>\$2,378,836</u>	<u>\$2,897,968</u>
Liabilities and net worth:		
Current liabilities.....	\$43,719	\$50,613
Other liabilities.....	6,739	6,786
Net worth.....	2,328,378	2,840,569
Total liabilities and net worth.....	<u>\$2,378,836</u>	<u>\$2,897,968</u>

On June 30, 1948, the operating facilities of the M.F.A. Milling Company consisted of the following:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Mill buildings, machinery, and equipment.....	2	\$960,617	\$645,271
Trucks, semi-trailers, and service costs.....	14	20,689	6,006
Total value.....		<u>\$981,306</u>	<u>\$651,277</u>



The M.F.A. Milling Company, as of June 1948, had 228 employees, of whom 126 were employed at Springfield and 102 at Aurora. Six of the total 228 employees were engaged in general administration, 6 in sales and service, and 216 in manufacturing and processing.

#### FARM BUREAU SERVICES, INC.

Farm Bureau Services, Inc., with headquarters at Lansing, Mich., was organized on October 25, 1929, to provide a cooperative wholesale farm supply service for farmers' cooperatives in Michigan. At the end of its fiscal year on August 31, 1948, this organization provided supply service to some 100,000 patrons through 151 member associations,<sup>20</sup> 40 nonmember associations, and 200 private dealer outlets. Farmers represented approximately 90 percent of the patrons of these retail outlets.

The value of supplies distributed at wholesale by Farm Bureau Services, Inc., was as follows for the fiscal years ending August 31, 1947 and 1948:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed.....	\$2,447,319	\$2,766,395
Fertilizer.....	1,184,212	1,379,558
Seed.....	1,074,520	1,055,246
Petroleum products, tires, tubes, and accessories.....	2,060,409	2,683,955
Steel products.....	1,311,505	1,550,701
Lumber, paint, and other maintenance equipment	199,578	181,915
Insecticides.....	362,378	252,926
Machinery, electrical equipment, and appliances <sup>21</sup> .....	2,462,567	2,526,818
Coal.....	112,431	203,034
Total value of supplies distributed at wholesale.....	<u>\$11,214,919</u>	<u>\$12,600,548</u>

In addition to the wholesale supply operations, supplies were distributed direct to individuals through 12 branch retail outlets. The value of supplies distributed at retail amounted to \$3,197,018 in 1947 and \$4,346,976 in 1948.

While Farm Bureau Services, Inc., is primarily a cooperative purchasing association, it also marketed farm products during the years ending August 31, 1947 and 1948 as follows:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Grain.....	\$739,257	\$1,257,849
Beans and potatoes.....	480,724	474,062
Eggs and poultry.....	117,244	163,867
Fruit.....	4,960	7,477
Total value of farm products marketed.....	<u>\$1,342,185</u>	<u>\$1,903,265</u>

<sup>20</sup>Twenty-three of the member associations were managed by Farm Bureau Services, Inc., under management contracts.

<sup>21</sup>Includes binder twine.



The total net savings of the organization for the fiscal years 1947 and 1948 were as follows:

	<u>Net savings</u>	<u>1947</u>	<u>1948</u>
On wholesale supply sales.....		\$208,347	\$182,960
On retail supply sales.....		58,557	46,646
On marketing sales.....		<u>10,824</u>	<u>13,541</u>
Total net savings.....		<u>\$277,728</u>	<u>\$243,147</u>

These savings were distributed as follows:

	<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Cash dividends on stock.....		\$33,646	\$33,531
Patronage refunds in capital stock.....		<u>244,082</u>	<u>209,616</u>
Total net savings.....		<u>\$277,728</u>	<u>\$243,147</u>

The financial condition of Farm Bureau Services, Inc., as of August 31, 1947 and 1948, is shown by the following condensed financial statements:

	<u>1947</u>	<u>1948</u>
<b>Assets:</b>		
Current assets.....	\$2,495,010	\$2,963,738
Fixed assets.....	990,726	2,123,422
Other assets <sup>22</sup> .....	<u>501,352</u>	<u>651,511</u>
Total assets.....	<u>\$3,987,088</u>	<u>\$5,738,671</u>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$1,089,393	\$1,111,014
Fixed indebtedness <sup>23</sup> .....	1,475,730	3,097,863
Net worth (capital and reserves).....	<u>1,421,965</u>	<u>1,529,794</u>
Total liabilities and net worth.....	<u>\$3,987,088</u>	<u>\$5,738,671</u>

<sup>22</sup>Mainly investments in regional cooperatives.

<sup>23</sup>Includes liability on debentures as follows:

	<u>1947</u>	<u>1948</u>
4% - 10-year debentures	959,010	1,093,210
3% - 10-year debentures	516,720	614,870
	<u>1,475,730</u>	<u>1,708,080</u>

The value of the principal operating facilities owned by the Farm Bureau Services, Inc., as of August 31, 1948, was as follows:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouse <sup>24</sup> .....	6	\$211,757	\$182,187
Seed cleaning plant.....	1	57,341	41,197
Retail farm supply branches.....	12	366,623	281,947
General delivery truck and cars.....	45	76,761	47,810
Bulk petroleum plants <sup>25</sup> .....	2	8,920	4,145
Supply stores and elevators <sup>25</sup> .....	1	23,039	10,826
Office and other equipment.....		104,928	83,511
Transportation department trucks and trailers, tractor-trailer units....	16	147,291	98,538
Temporary office building.....	1	20,857	15,500
Bulk petroleum plant.....	1	10,030	7,353
Dust mixing plant.....	1	29,635	26,160
Fertilizer manufacturing plant.....	1	1,228,846	1,199,104
Transportation department garage.....	1	48,112	46,734
Warehouse under construction.....	1	78,546	78,409
Total value.....		<u>\$2,412,686</u>	<u>\$2,123,421</u>

At the end of its fiscal year on August 31, 1948, Farm Bureau Services, Inc., had 411 employees, classified as follows:

In general administration.....	65
In manufacturing and processing.....	36
In wholesale distribution.....	102
In retail distribution.....	147
In contractual service for affiliated Michigan Farm Bureau.....	61

#### PENNSYLVANIA FARM BUREAU COOPERATIVE ASSOCIATION

The Pennsylvania Farm Bureau Cooperative Association, with headquarters at Harrisburg, Penna. was organized in 1934. At the close of 1948, it was serving 31 member associations with 60,000 patrons of whom 90 percent were farmers. Its service area comprises 53 counties in the State of Pennsylvania.

<sup>24</sup>Four of these units are combination wholesale and retail units. Cost and depreciated value have been divided according to use.

<sup>25</sup>Leased to local associations managed by Farm Bureau Services, Inc.

Supplies distributed at wholesale by the Pennsylvania Farm Bureau Cooperative Association were as follows for the years ending December 31, 1947 and 1948:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed.....	\$6,550,007	\$7,024,609
Fertilizer.....	1,191,124	1,438,031
Seed.....	811,699	987,132
Gas, oil, and grease.....	3,451,397	5,154,989
Tires, tubes, and other accessories.....	252,649	275,222
Farm machinery.....	381,808	769,520
Farm equipment.....	450,169	581,144
Steel products.....	272,492	461,931
Lumber, paint, and other maintenance equipment.....	251,772	287,959
Insecticides.....	274,744	298,179
Electrical equipment and appliances.....	305,878	331,429
Twine.....	101,782	128,878
Miscellaneous.....	106,509	104,198
Total value of supplies distributed at wholesale.....	<u>\$14,402,030</u>	<u>\$17,843,221</u>

The net savings on supply distribution amounted to \$398,078 in 1947 and \$279,809 in 1948. The savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Cash dividends on stock.....	\$69,104	\$89,822
Patronage refunds in capital stock.....	218,004	88,908
Retained in reserves.....	110,970	101,079
Total net savings.....	<u>\$398,078</u>	<u>\$279,809</u>

The financial condition of the Pennsylvania Farm Bureau Cooperative Association as of December 31, 1947 and 1948 is shown in the following condensed financial statement:

	<u>1947</u>	<u>1948</u>
Assets:		
Current assets.....	\$2,058,840	\$3,886,976
Fixed assets.....	842,400	892,402
Other assets.....	961,516	2,421,018
Total assets.....	<u>\$3,862,756</u>	<u>\$7,200,396</u>
Liabilities and net worth:		
Current liabilities.....	\$812,048	\$2,648,295
Other liabilities.....	340,000	280,000
Net worth (capital and reserves).....	2,710,708	4,272,101
Total liabilities and net worth.....	<u>\$3,862,756</u>	<u>\$7,200,396</u>



As of December 21, 1948, the principal operating facilities of the Pennsylvania Farm Bureau Cooperative Association consisted of the following:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Depre- ciated value</u>
Feed mill.....	1	\$177,321
Seed cleaning plant.....	1	116,659
Wholesale farm supply warehouse.....	2	211,616
Office building.....	1	96,962
Transport trucks.....	16	45,527
Dust plant.....	1	9,661
Hatchery.....	1	42,635
Poultry breeding farm.....	1	40,066
Total value.....		<u>\$740,447</u>

In addition, the association held investments of \$2,375,126 in facilities jointly owned with other cooperatives.

At the close of 1948 the association had 246 employees. Of these, 137 were engaged in general administration, 65 in manufacturing and processing, and 44 in wholesale distribution.

#### PACIFIC SUPPLY COOPERATIVE

The Pacific Supply Cooperative, with headquarters at Walla Walla, Wash., was organized December 19, 1933. At the close of its operating year on June 30, 1948, it was serving 124 member associations in Oregon, Washington, Idaho, and northwest Wyoming, with 60,000 patrons, 95 percent of whom were farmers. It also served 50 nonmember associations with 15,000 patrons, of whom 60 percent were farmers.

The Pacific Supply Cooperative distributed the following supplies at wholesale during 1947 and 1948:

<u>Commodity</u>	<u>1947 Jan. 1 to Dec. 31</u>	<u>1948 Jan. 1 to June 30<sup>26</sup></u>
Fertilizer.....	\$502,411	\$337,661
Feed and seed.....	6,173,578	2,024,921
Gas, oil, grease, and fuel oil.....	6,171,754	4,069,331
Tires, tubes, and other accessories.....	611,730	182,605
Farm machinery and parts.....	655,287	778,110
Lumber, paint, steel products, and other maintenance equipment.....	650,789	352,782
Insecticides.....	394,209	254,611
Electrical equipment and appliances.....	305,813	143,185
Coal.....	2,071	353
Hardware and twine.....	364,294	140,954
Farm appliances & irrigation supplies.....	429,653	308,781
Transportation.....	362,779	238,297
Miscellaneous.....	112,186	97,367
Total value of supplies dis- tributed at wholesale <sup>27</sup> .....	<u>\$16,736,554</u>	<u>\$8,928,958</u>

<sup>26</sup>Six months operations. Business year closing has been changed from December 31 to June 30.

<sup>27</sup>Includes a small amount of some retail operations.



In addition to the wholesale supply operations, supplies were distributed direct to individuals through retail outlets. The value of supplies distributed at retail amounted to \$766,895 in 1947 and none in 1948.

Total net savings amounted to \$915,868, in 1947 and \$435,696 in 1948. The distribution of these savings was made in the following manner:

<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Patronage refunds in certificates of indebtedness.....	\$728,115	\$424,804
Amount retained in reserves.....	<u>187,753</u>	<u>10,892</u>
Total net savings.....	<u>\$915,868</u>	<u>\$435,696</u>

The financial condition of the Pacific Supply Cooperative as of December 31, 1947 and June 30, 1948 is shown in the following condensed financial statement:

	<u>1947</u> December 31	<u>1948</u> June 30
Assets:		
Current assets.....	\$4,224,497	\$4,117,564
Facilities and investments.....	1,372,325	1,259,883
Other assets.....	<u>241,108</u>	<u>453,038</u>
Total assets.....	<u>\$5,837,930</u>	<u>\$5,830,485</u>
Liabilities and net worth:		
Current liabilities.....	\$2,172,862	\$1,776,577
Other liabilities.....	213,396	186,598
Net worth (capital and reserves).....	<u>3,451,672</u>	<u>3,867,310</u>
Total liabilities and net worth.....	<u>\$5,837,930</u>	<u>\$5,830,485</u>

On June 30, 1948, the Pacific Supply Cooperative owned and operated the following principal facilities:

<u>Type of facility</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouses.....	5	\$285,924	\$48,338
Seed and feed plants.....	9	435,840	106,443
Chemical plants.....	2	201,036	25,966
Transport trucks.....	13	176,173	78,023
Office.....	1	<u>75,856</u>	<u>26,614</u>
Total value.....		<u>\$1,174,829</u>	<u>\$285,384</u>

In addition to the above, the association held investment of \$304,134 in facilities jointly owned with other cooperative associations.

At June 30, 1948, the Pacific Supply Cooperative had 235 employees, 87 of whom were engaged in general administration and 148 in wholesale distribution.

#### CENTRAL CO-OPERATIVE WHOLESALE

The Central Co-operative Wholesale - C.C.W. - with headquarters at Superior, Wis., was organized on September 15, 1917. At the close of its operating year on December 31, 1948, it was serving 189 member and 32 nonmember cooperatives in northern Michigan, northern Wisconsin, northern Minnesota, and eastern North Dakota. These cooperative outlets served 65,000 patrons, 75 percent of whom were farmers.

The value of supplies distributed at wholesale by the C.C.W. during 1947 and 1948 was as follows:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed.....	\$2,845,512	\$2,726,724
Seed.....	112,370	96,975
Gas, oil, and grease.....	1,401,026	1,505,782
Tires, tubes, and other accessories.....	427,495	279,186
Steel products.....	223,948	186,165
Lumber, paints, and other maintenance equipment.....	494,816	483,331
Insecticides.....	16,214	16,534
Electrical equipment and appliances.....	490,482	518,945
Farm machinery and equipment.....	639,205	1,032,517
Hardware.....	138,614	177,905
Twine.....	23,789	23,741
Coal.....	141,205	167,939
Groceries.....	2,423,378	2,670,803
Fresh fruits and vegetables.....	341,036	366,280
Bakery products.....	305,182	322,295
Coffee.....	261,255	322,088
Clothing.....	602,868	599,483
Store fixtures and equipment <sup>28</sup> and advertising service.....	128,347	102,822
	<u>                  </u>	<u>                  </u>
Total value of supplies distributed at wholesale.....	<u>\$11,016,742</u>	<u>\$11,599,515</u>

<sup>28</sup>This is a department separated from the grocery department. It sells meat counters, cash registers, and other fixtures and equipment to retail stores.

The total net savings, before income tax, on these operations amounted to \$374,205 in 1947 and \$319,702 in 1948. These savings were distributed as follows:

<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Unallocated surplus.....	\$3,362	\$1,788
Patronage refunds paid in capital stock shares.....	309,351	211,182
Interest on capital stock.....	36,792	68,332
Provision for Federal income tax.....	<u>24,700</u>	<u>38,400</u>
 Total net savings before income tax.....	 <u>\$374,205</u>	 <u>\$319,702</u>

The financial condition of the C.C.W. on December 31, 1947 and 1948 is shown in the following statement:

	<u>1947</u>	<u>1948</u>
Assets:		
Current assets.....	\$1,979,654	\$2,090,825
Fixed assets.....	545,771	573,930
Other assets.....	<u>839,334</u>	<u>1,032,820</u>
 Total assets.....	 <u>\$3,364,759</u>	 <u>\$3,697,575</u>
Liabilities and net worth:		
Current liabilities.....	\$1,073,091	\$587,129
Long-term notes.....	666,924	532,199
Net worth (capital and reserves).....	<u>1,624,744</u>	<u>2,578,247</u>
 Total liabilities and net worth.....	 <u>\$3,364,759</u>	 <u>\$3,697,575</u>

On December 31, 1948, the principal operating facilities owned and operated by the C.C.W. consisted of the following:

<u>Type of facility</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mills.....	\$150,290	\$93,270
Coffee roastery.....	12,085	865
General delivery trucks.....	130,373	64,601
Office and warehouse buildings.....	293,879	236,795
Office and printing building.....	40,345	20,696
Bakery plant.....	<u>56,340</u>	<u>17,324</u>
 Total value.....	 <u>\$683,312</u>	 <u>\$433,551</u>

At the close of 1948 the C.C.W. had 248 employees, 57 of whom were engaged in general administration, 59 in manufacturing and processing, 122 in wholesale distribution, and 10 in educational work.

## CONSUMERS COOPERATIVES ASSOCIATED

Consumers Cooperatives Associated, with headquarters at Amarillo, Tex., was organized in 1930. On October 31, 1948, it was serving 400 associations with approximately 110,000 patrons, 95 percent of whom were farmers. The association operates throughout Texas, New Mexico, Arkansas, Louisiana, Mississippi, the southeastern part of Colorado, and the southeastern and southern parts of Oklahoma.

Supplies distributed at wholesale by the association during its last 2 fiscal years were as follows:

<u>Commodity</u>	<u>1947</u> (revised to 12 months)	<u>1948</u>
Light fuels.....	<sup>29</sup> \$5,424,803	<sup>29</sup> \$6,891,004
Lubricating oils.....	194,487	242,117
Anti-freeze.....	17,758	38,534
Grease.....	39,372	35,176
Crude oil.....	458,114	620,697
Tires and tubes.....	653,149	477,016
Batteries.....	59,094	61,064
Auto accessories.....	93,030	78,701
Appliances.....	255,283	308,310
Hardware and building supplies.....	370,080	323,270
Farm machinery.....	473,206	607,827
Feed and seed.....	292,416	280,802
Fertilizer and insecticides.....	111,887	421,729
Groceries.....	8,348	26,883
Grain.....	413,048	527,803
Total value of supplies distributed at wholesale.....	<u>\$8,864,075</u>	<u>\$10,940,933</u>

The total net savings on these operations amounted to \$441,871 for 1947 and \$651,691 for 1948. These savings were distributed in the following manner:

<u>Distribution of net savings</u>	<u>1947</u>	<u>1948</u>
Cash dividends on stock.....	\$39,422	\$107,874
Cash patronage dividends.....	4,063	8,768
Retained in reserves.....	10,916	25,108
Patronage refunds paid in capital stock and equities.....	<u>387,468</u>	<u>473,939</u>
Total net savings.....	<u>\$441,869</u>	<u>\$615,689</u>

<sup>29</sup>After all intercompany eliminations.



The financial condition of Consumers Cooperatives Associated as of October 31, 1947 and 1948 is shown by the following condensed financial statement:

	<u>1947</u>	<u>1948</u>
Assets:		
Current assets.....	\$1,989,349	\$2,681,155
Fixed assets.....	1,797,652	2,166,701
Other assets.....	<u>231,155</u>	<u>289,980</u>
 Total assets.....	 <u>\$4,018,156</u>	 <u>\$5,137,836</u>
Liabilities and net worth:		
Current liabilities.....	\$1,793,162	\$2,006,110
Other liabilities.....	596,834	775,954
Net worth.....	<u>1,628,160</u>	<u>2,355,772</u>
 Total liabilities and net worth.....	 <u>\$4,018,156</u>	 <u>\$5,137,836</u>

Consumers Cooperatives Associated has 5 branch warehouses located at Abilene, Dallas, Edroy, and Levelland, Tex., and at Little Rock, Ark. A modern grain drying plant and a feed mill are operated in connection with the Edroy warehouse.

The subsidiaries of Consumers Cooperatives Associated are the Consumers Cooperative Refinery Association at Levelland, Tex., and the Cooperative Producing Association of New Mexico, which is engaged in the production of crude oil.

On October 31, 1948, the association and subsidiaries had 235 employees, of whom 37 were engaged in general administration and 198 in manufacturing, processing, and wholesale distribution.

#### FARMERS UNION STATE EXCHANGE

The Farmers Union State Exchange, with headquarters at Omaha, Neb., was organized in 1914. At the end of its 1948 operating year, December 31, 1948, it was serving 312 member associations with 55,000 patrons of whom 98 percent were farmers. Through 10 private dealers it reached an additional 2,500 patrons, of whom 90 percent were farmers. The Exchange operates in the State of Nebraska and in nearby sections of Wyoming and Iowa.

Supplies distributed at wholesale by the Farmers Union State Exchange during 1947 and 1948 were as follows:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed.....	\$220,104	\$187,028
Seed.....	48,302	63,580
Gas, oil, and grease.....	2,887,144	3,489,140
Tires, tubes, and other accessories.....	106,961	167,274
Farm equipment, hardware, and fencing.....	908,061	1,551,807
Steel products.....	52,316	-
Paint.....	66,934	63,717
Twine.....	61,746	51,187
Coal.....	51,170	86,234
Groceries.....	248,636	293,082
Clothing.....	60,304	64,140
Produce.....	115,843	35,477
Roofing.....	68,171	69,377
Miscellaneous.....	4,608	4,499
Transportation.....	100,098	85,728
Total value of supplies distributed at wholesale.....	<u>\$5,000,398</u>	<u>\$6,212,270</u>

The Farmers Union State Exchange also had retail sales of \$1,678,943 in 1947 and \$1,810,121 in 1948.

The total net savings from all operations amounted to \$381,880 in 1947 and \$638,919 in 1948. The distribution of these savings was as follows:

	<u>1947</u>	<u>1948</u>
Cash dividends on stock.....	\$17,477	\$19,006
Cash patronage refunds.....	55,679	35,235
Patronage refunds in capital stock.....	45,550	55,300
Patronage refunds allocated.....	229,077	465,486
Amount credited to surplus reserve fund.....	34,097	63,892
Total net savings.....	<u>\$381,880</u>	<u>\$638,919</u>

The financial condition of the Farmers Union State Exchange as of December 31, 1947 and 1948 is shown in the following condensed financial statement:

	<u>1947</u>	<u>1948</u>
<b>Assets:</b>		
Current assets.....	\$1,031,393	\$1,230,667
Fixed assets.....	294,417	283,227
Other assets.....	638,715	1,059,609
Total assets.....	<u>\$1,964,525</u>	<u>\$2,573,503</u>
<b>Liabilities and net worth:</b>		
Current liabilities.....	\$374,792	\$715,987
Other liabilities.....	387,051	292,487
Net worth (capital and reserves).....	1,202,682	1,565,029
Total liabilities and net worth.....	<u>\$1,964,525</u>	<u>\$2,573,503</u>

The facilities owned and operated by the Exchange on December 31, 1948, consisted of a feed-mixing plant, a seed-cleaning plant, 2 wholesale farm supply warehouses, 8 retail farm supply stores, 4 bulk petroleum plants, an office building, a lubricating oil compounding plant, 6 transport trucks, 3 general delivery trucks, and a produce plant. The Exchange also holds a joint interest with other regional cooperatives in a petroleum refinery, pipe line, and machine company.

At the close of 1948, the Exchange had 187 employees of whom 98 were engaged in wholesale distribution and 89 in retail distribution.

## PART II

### COMBINED INFORMATION FOR 18 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES FOR FISCAL YEARS ENDED IN 1947 AND 1948

In this section the information presented in Part I for the individual associations is combined and analyzed to show the general character and significance of these 18 major regional farm supply purchasing cooperatives.

#### AGE OF ORGANIZATIONS

The 18 regional cooperatives for which basic data are given in Part I were organized in the following years:

<u>Year</u>	<u>Number of associations organized during specified year</u>
1907.....	1
1914.....	1
1917.....	1
1918.....	1
1920.....	1
1923.....	2
1926.....	1
1927.....	2
1929.....	2
1930.....	1
1931.....	1
1933.....	2
1934.....	2

Only 5 of these associations were in existence by 1920. By 1930 there were 13. The remaining 5 were established early in the 1930's. At the end of 1948, the average age for the 18 associations was 23 years.



### AREA OF SERVICE

The statements in Part I show that the 18 regional associations render service generally throughout the United States except for a large part of the South. Several regional purchasing associations serve the South and Southwest, but with the exception of Southern States Cooperative, Inc., which serves Virginia as well as several nearby States, only two, the Farmers Cooperative Exchange, Raleigh, North Carolina, and the Consumers Cooperatives Associated, Amarillo, Texas, did a wholesale supply business in 1948, each in excess of 5 million dollars.<sup>30</sup> It should be clearly understood that a number of other regional purchasing associations also operate in the area served by these 18 large regional purchasing associations.

### TYPE OF RETAIL OUTLET

The 18 major regional farm supply purchasing cooperatives distributed supplies through some 8,048 retail outlets in 1947 and 8,173 in 1948. Their retail outlets can be classified as follows:

<u>Type of retail outlet</u>	<u>1947</u>	<u>1948</u>
Local cooperative member associations.....	3,864	4,375
Local cooperative nonmember associations.....	1,139	983
Affiliated cooperative service associations.....	651	709
Private service agencies.....	1,285	1,376
Farmer-representatives.....	1,109	730

The local associations listed above are autonomous organizations. The "member associations" hold membership interests in the regional associations while the "nonmember associations" are simply served by the regional associations. The "affiliated cooperative service associations" are associations or branch outlets that are under the direct management of regional associations. "Private service agencies" are private concerns that render distribution service for the regional cooperatives under agreed-upon plans. These plans include provisions for passing on to farmers the patronage refunds distributed by the regional. Similarly, the "farmer-representatives" are farmers who serve as distribution agents for the regional associations. The individual reports in Part I give more complete information on the character of local service outlets.

### NUMBER OF PATRONS SERVED

The 18 regional associations estimated that through their various local outlets at the end of their 1948 fiscal year they were serving 2,337,802 farmer patrons and 157,016 nonfarmer patrons, or a total of 2,494,818 patrons.<sup>31</sup> Thus 94 percent of the patrons were farmers, and 6 percent

<sup>30</sup>The two next largest regional farm supply purchasing cooperatives in this area are the Mississippi Federated Cooperatives, Jackson, Mississippi, and the Southwest Cooperative Wholesale, Phoenix, Arizona. Both of these regionals also perform cooperative marketing service. As noted in the Appendix, the Cotton Producers Association of Atlanta, Georgia, also serves as a regional farm supply purchasing association.

<sup>31</sup>On the basis of other studies made by the Cooperative Research and Service Division, it is believed that this total considerably overstates the number of actual patrons.



were nonfarmers. On the basis of the information furnished by the regional associations, it is estimated that farmer patrons purchased over 95 percent of the supplies distributed through the local outlets of the 18 regional cooperatives.

#### NUMBER OF EMPLOYEES

According to the data in Part I, the 18 regional associations at the end of the 1948 fiscal year employed a total of 17,270 persons. Of these, it is estimated that about 16 percent were engaged in general administration; 62 percent in manufacturing, processing, and wholesale distribution; and 22 percent in retail supply distribution and in agricultural marketing work.

#### DOLLAR VOLUME OF BUSINESS

The combined business of the 18 regional cooperatives, including the value of supplies distributed at wholesale and at retail plus the value of farm products marketed, amounted to \$858,424,237 for the fiscal year ended in 1948. The comparable volume for the similar period ended in 1947 was \$710,044,037. The figure for 1948 is around \$9 million less than it should actually be, since the Pacific Supply Cooperative reported 6 months business for 1948.

The outstanding position of the Cooperative Grange League Federation, Inc., in volume handled is shown in table 1. Seventeen of the 18 associations each had a volume of more than 10 million dollars, and of these 10 each had a volume of more than 25 million dollars. The combined purchasing and marketing operations of the 17 associations for the 1948 fiscal year amounted to a total dollar volume of about \$860 million; allowing for the adjustment to be made in the report of the Pacific Supply Cooperative, for the 10 associations, the total volume was a little more than \$740 million.

#### TYPES OF SUPPLIES HANDLED

The relative significance of the various supplies distributed at wholesale<sup>32</sup> by the 18 regional associations during the fiscal year ended in 1947 is shown in tables 2 and 3. Feed predominated in the dollar volume of 8 associations whereas petroleum products and related supplies predominated in the volume of 8 other associations.

The dollar volume of feed was greater than that of any other supply distributed by the Farm Bureau Services, Inc. The grouping of commodities in tables 2 and 3 does not bring out this fact.

In terms of dollar volume, groceries were the most important commodity distributed by the Central Co-operative Wholesale. Packaging material represented the bulk of the dollar volume of the Fruit Growers Supply Company. This company performs a purchasing service for the citrus growers of Southern California.

<sup>32</sup>Distribution of supplies by Eastern States Farmers' Exchange represents purchases by individual patrons. The Exchange integrates all wholesale and retail functions performed incident to final distribution to patrons.

Table 1. - Dollar volume of farm supplies distributed and farm products marketed by 18 major regional farm supply purchasing cooperatives fiscal years ended in 1947 and 1948

ASSOCIATION	YEAR ENDED	SUPPLIES DISTRIBUTED AT WHOLESALE		SUPPLIES DISTRIBUTED AT RETAIL		FARM PRODUCTS MARKETED		TOTAL	
		a 1947	1948	1947	1948	1947	1948	a 1947	1948
Coop. Grange League Federation Exchange, Inc.....	June 30	\$111,223,795	\$135,117,639	\$36,379,383	\$105,910,660	\$17,113,975	\$20,926,678	\$214,717,353	\$261,954,977
Southern States Coop., Inc.....	June 30	54,389,016	71,792,206	21,253,302	28,830,099	6,762,381	10,954,306	82,403,699	111,566,611
Eastern States Farmers' Exchange, Inc. b.....	Dec. 31	77,103,869	80,430,938	-	-	-	-	77,103,869	80,430,938
The Farm Bu. Coop. Assn., (Ohio).....	Dec. 31	31,755,939	34,827,178	-	-	15,601,619	19,794,616	47,357,558	54,621,794
Consumers Coop. Assn. Illinois Farm Supply Company.....	Aug. 31	38,177,479	54,071,410	580,126	(c)	-	-	38,757,605	54,071,410
Indiana Farm Bureau Coop. Assn., Inc..	Aug. 31	31,361,129	42,919,238	-	-	-	-	31,361,129	42,919,238
Farmers Union Central Exchange, Inc.	Dec. 31	32,460,470	37,522,239	-	-	390,531	1,604,098	32,851,001	39,126,337
Farmers Cooperative Exchange, Inc.....	Dec. 31	28,517,326	36,410,143	-	-	-	-	28,517,326	36,410,143
Midland Coop. Whse..	June 30	13,128,658	16,213,197	9,105,707	12,149,930	1,771,319	2,418,031	24,005,684	30,781,158
Fruit Growers Supply Company.....	Dec. 31	22,896,889	29,549,972	-	-	-	-	22,896,889	29,549,972
M.F.A. Milling Co... Farm Bureau Services, Inc.....	Dec. 31	21,707,181	21,676,457	-	-	-	-	21,707,181	21,676,457
Pennsylvania Farm Bureau Coop. Assn. Pacific Supp. Coop. d	June 30	14,144,984	19,129,395	-	-	-	-	14,144,984	19,129,395
Central Coop. Whse..	Aug. 31	11,214,919	12,600,548	3,197,018	4,346,976	1,342,185	1,903,265	15,754,122	18,850,789
Consumers Coop. Assn. Farmers Union State Exchange.....	Dec. 31	14,402,030	17,843,221	-	-	-	-	14,402,030	17,843,221
Total.....		\$544,101,453	\$647,765,457	\$122,960,574	\$153,037,786	\$42,982,010	\$57,600,994	\$710,044,037	\$858,424,237

a Revised.

b Distribution of supplies by Eastern States Farmers' Exchange represents purchases by individual patrons. The Exchange integrates all wholesale and retail functions performed incident to final distribution to patrons.

c Retail department sold Aug. 31, 1947.

d Change in end of business year from Dec. 31 to June 30.

e Distribution for 6 months, Jan. 1 - June 30, 1948.

Table 2. - Dollar volume of farm supplies distributed at wholesale by 18 major regional farm supply purchasing cooperatives, by type of supply, for fiscal year ended 1948

ASSOCIATION	FEED	SEED	FERTILIZER AND INSECT-CIDES	PETROLEUM PRODUCTS AND AUTO ACCESSORIES	FARM MACHINERY AND EQUIPMENT, LUMBER, PAINT, PACKAGING MATERIAL, ELECTRICAL EQUIPMENT, AND STEEL PRODUCTS	COAL AND TWINE	GROCERIES	MISCELLANEOUS	TOTAL
Coop. Grange League Federation Exchange, Inc.	\$99,122,329	\$4,596,369	\$11,730,362	\$10,008,141	\$7,943,280	\$361,036	-	\$1,478,144	\$135,239,661
Eastern States Farmers' Exchange, Inc. <sup>b</sup>	70,598,398	3,666,757	4,919,669	-	1,246,114	-	-	-	8,043,938
Southern States Coop., Inc.	45,944,443	4,549,453	11,120,516	3,635,812	6,414,893	-	-	127,089	71,792,206
Consumers Coop. Assn.	6,403,438	-	4,444,595	40,489,233	5,589,384	-	\$1,220,744	209,869	54,557,263
Illinois Farm Supply Co.	7,867,297	-	4,454,432	24,520,271	2,957,833	70,891	-	3,048,514	42,919,238
Indiana Farm Bureau Coop. Assn., Inc.	5,556,596	1,309,107	3,934,084	12,391,752	11,612,635	1,542,451	-	1,175,614	37,522,239
Farmers Union Central Exchange, Inc.	<sup>e</sup> 3,247,451	(e)	21,564	26,240,179	5,919,307	171,535	159,674	550,433	36,410,143
The Farm Bureau Coop. Assn., (Ohio)	11,225,999	2,161,276	4,603,218	8,176,450	7,358,674	505,796	-	837,267	34,668,660
Midland Coop. Wholesale Fruit Growers Supply Co.	3,124,281	594,596	1,677,422	17,931,573	4,550,980	229,623	1,436,664	4,833	29,549,972
M.F.A. Milling Company.	-	-	3,696,997	-	17,265,375	-	-	714,085	21,676,457
Pennsylvania Farm Bureau Cooperative Assn.	18,154,132	598,537	-	-	319,609	57,117	-	-	19,129,395
Pacific Supply Coop.	<sup>e</sup> 7,024,609	987,132	1,736,210	5,430,211	2,431,983	128,878	-	104,198	17,843,221
Farmers Cooperative Exchange, Inc.	2,024,921	(e)	592,272	4,251,936	1,723,812	353	-	335,664	8,928,958
Farm Bureau Services, Inc.	5,509,706	1,876,443	2,103,275	54,932	2,647,237	-	-	4,021,604	16,213,197
Central Coop. Wholesale Consumers Cooperatives Associated.	2,726,724	1,055,246	1,632,484	2,683,955	4,259,434	203,034	-	-	12,600,548
Farmers Union State Exchange	<sup>e</sup> 808,605	(e)	421,729	1,784,968	2,398,863	191,680	3,681,466	702,305	11,599,515
	187,028	63,580	-	3,656,414	1,684,901	137,421	293,082	189,844	6,212,270
Total	\$292,292,352	\$21,555,471	\$53,105,363	\$169,800,136	\$87,563,721	\$3,599,815	\$6,818,513	\$13,499,463	\$648,234,834

<sup>a</sup>Includes \$122,022 inter-company transactions.

<sup>b</sup>Distribution of supplies by Eastern States Farmers' Exchange represents purchases by individual patrons. The Exchange integrates all wholesale and retail functions performed incident to final distribution to patrons.

<sup>c</sup>Before discounts allowed - \$255,853.

<sup>d</sup>Includes \$41,502 inter-company transactions.

<sup>e</sup>Seed included in feed.

<sup>f</sup>Includes some dry goods.

<sup>g</sup>Change in fiscal year from Jan. - Dec. to July - June. Business shown for 6 months, Jan. - June 1948.



Table 3. - Percentage of total dollar volume of association represented by specific supply items distributed at wholesale by 18 major regional farm supply purchasing cooperatives during fiscal year ended 1948

ASSOCIATION	FEED	SEED	FERTILIZER AND INSECTICIDES	PETROLEUM PRODUCTS AND AUTO ACCESSORIES	FARM MACHINERY AND EQUIPMENT, LUMBER, PAINT, PACKAGING MATERIAL, ELECTRICAL EQUIPMENT, AND STEEL PRODUCTS	COAL AND TWINE	GROCERIES	MISCELLANEOUS	TOTAL
									(Percent)
Coop. Grange League Federation Exchange, Inc.....	73.3	3.4	8.7	7.4	5.9	.2	-	1.1	<sup>a</sup> 100
Eastern States Farmers' Exchange, Inc. <sup>b</sup> .....	87.8	4.6	6.1	-	1.5	-	-	-	100
Southern States Cooperative, Inc.....	64.0	6.3	15.5	5.1	8.9	-	-	.2	100
Consumers Cooperative Association.....	11.8	-	.8	74.5	10.3	-	2.2	.4	<sup>c</sup> 100
Illinois Farm Supply Company.....	18.3	-	10.4	57.1	6.9	.1	-	7.2	100
Indiana Farm Bureau Cooperative Assn., Inc.....	14.8	3.5	10.5	33.0	31.0	4.1	-	3.1	100
Farmers Union Central Exchange, Inc.....	8.9	(d)	.1	72.3	16.3	.5	.4	1.5	<sup>a</sup> 100
The Farm Bureau Cooperative Assn., Inc. (Ohio)....	32.2	6.2	13.2	23.4	21.1	1.5	-	2.4	100
Midland Cooperative Wholesale.....	10.6	2.0	5.7	60.7	15.4	.8	4.8	(e)	100
Fruit Growers Supply Company.....	-	-	17.0	-	79.7	-	-	3.3	100
M.F.A. Milling Company.....	94.9	3.1	-	-	1.7	.3	-	-	100
Pennsylvania Farm Bureau Cooperative Assn.....	39.4	5.5	9.7	30.5	13.6	.7	-	.6	100
Pacific Supply Cooperative <sup>9</sup> .....	22.7	(d)	6.6	47.6	19.3	(e)	-	3.8	100
Farmers Cooperative Exchange, Inc.....	34.0	11.6	13.0	.3	16.3	-	-	24.8	100
Farm Bureau Services, Inc.....	22.0	8.4	12.9	21.3	33.8	1.6	-	-	100
Central Cooperative Wholesale.....	23.5	.8	.1	15.4	20.7	1.7	<sup>f</sup> 31.7	6.1	100
Consumers Cooperatives Associated.....	47.4	(d)	3.9	77.2	11.3	-	.2	-	100
Farmers Union State Exchange.....	3.0	1.0	-	59.0	27.1	2.2	4.7	3.0	100
Total.....	45.1	3.3	8.2	26.2	13.5	.6	1.0	2.1	100

<sup>a</sup>Includes a very small amount of inter-company transactions.

<sup>b</sup>Distribution of supplies by Eastern States Farmers' Exchange represents purchases by individual patrons. The Exchange integrates all wholesale and retail functions performed incident to final distribution to patrons.

<sup>c</sup>Includes small amount of discounts allowed.

<sup>d</sup>Seed included in feed.

<sup>e</sup>Negligible.

<sup>f</sup>Includes some dry goods.

<sup>9</sup>Change in fiscal year. Business shown for 6 months, Jan. - June 1948.

Table 4 shows the relative significance of the combined total of each of the various supplies distributed by the 18 associations during the fiscal years ended in 1947 and 1948. The total dollar volume of all supplies distributed in 1948 showed an increase of 19 percent over that in 1947.

Feed, petroleum products, and fertilizer made up 76.6 percent of the total dollar volume of supplies distributed at wholesale in 1948. The value of feed distributed during 1948 was 17.5 percent greater than the value of that distributed in 1947. Petroleum products increased 36.1 percent in dollar volume and fertilizer increased 23.6 percent. On the other hand, three commodity groups showed decreases in dollar volume. Tires, tubes and auto accessories decreased 22.6 percent. Insecticide decreased 2.8 percent and twine 38.7 percent. The dollar volumes of other supplies showed small increases from .8 to 12 percent.

Table 4. - Dollar volume of supplies distributed at wholesale by 18 major regional farm supply purchasing cooperatives for fiscal year ended in 1947 and 1948.

Commodity	<sup>a</sup> 1947	<sup>b</sup> 1948	Percentage increase or decrease
Feed.....	\$248,818,269	\$292,292,352	+17.5
Gas, oil, and grease.....	116,049,460	158,841,282	+36.9
Fertilizer.....	36,611,223	45,235,479	+23.6
Farm machinery and farm equipment.....	23,174,551	31,543,634	+36.1
Seed.....	20,058,400	21,555,471	+7.5
Package material, drums, and containers.....	17,901,731	18,046,030	+ .8
Lumber, paint, and maintenance material.....	16,878,969	17,007,741	+ .8
Steel products.....	13,123,352	14,725,701	+12.2
Tires, tubes, and auto accessories.....	14,150,412	10,958,854	-22.6
Insecticides.....	8,098,919	7,869,884	-2.8
Groceries.....	6,447,958	6,818,433	+5.7
Electrical equipment.....	6,104,892	6,240,615	+2.2
Coal.....	2,497,698	2,705,481	+8.3
Twine.....	1,459,166	894,334	-38.7
Miscellaneous.....	13,352,059	13,499,543	+1.1
Total.....	<sup>c</sup> \$544,727,059	<sup>d</sup> \$648,234,834	+19.0

<sup>a</sup>Revised.

<sup>b</sup>One association had not adjusted its figures for the change in fiscal year. Only 6 months reported.

<sup>c</sup>Includes \$312,255 intercompany transactions.

<sup>d</sup>Includes \$183,524 intercompany transactions.

## DISTRIBUTION OF SAVINGS

The amount and distribution of the combined net savings of the 18 associations for the fiscal years ended in 1947 and 1948 are shown in table 5. The total savings increased from \$29,032,054 in 1947 to \$38,320,123 in 1948, or 32 percent. Savings returned to patrons as cash patronage refunds increased 8.8 percent. Savings returned as patronage refunds in the form of capital stock, certificates of equity, or other equity holdings increased 52.3 percent. Cash dividends applied on stock increased 31.6 percent, and the amount of savings retained in reserves increased 44.3 percent.

Table 5. - Distribution of combined net savings of 18 major regional farm supply purchasing cooperatives for fiscal years ended in 1947 and 1948.

Distribution of net savings	<sup>a</sup> 1947	1948	Percentage increase
Cash patronage refunds.....	\$11,521,721	\$12,530,260	8.8
Deferred patronage refunds <sup>b</sup> .....	10,180,241	15,503,701	52.3
Cash dividends on stock.....	2,292,314	3,017,703	31.6
Retained in reserves.....	5,037,778	7,268,459	44.3
Total net savings.....	\$29,032,054	\$38,320,123	32.0

<sup>a</sup>Revised.

<sup>b</sup>Evidenced by capital stock, certificates of equity, and other equity holdings.

## FINANCIAL CONDITION

The financial condition of the 18 associations as a group at the close of their fiscal years ended in 1947 and 1948 is given in table 6.

Table 6. - Consolidated financial statement for 18 major regional farm supply purchasing cooperatives at the close of their fiscal years ended in 1947 and 1948.

Item	<sup>a</sup> 1947		1948	
	Amount	Percent- age of total	Amount	Percent- age of total
Assets:				
Current assets.....	\$113,999,770	55.9	\$139,751,286	51.3
Fixed assets.....	62,420,965	30.6	82,328,831	30.2
Other assets.....	27,519,701	13.5	50,363,114	18.5
Total assets.....	\$203,940,436	100.0	\$272,443,231	100.0
Liabilities and members' equities:				
Current liabilities.....	\$52,991,544	26.0	\$63,988,059	23.5
Other liabilities.....	37,175,398	18.2	53,714,025	19.7
Members' equities (cap- ital and reserves)....	113,773,494	55.8	154,741,147	56.8
Liabilities and members' equities..	\$203,940,436	100.0	\$272,443,231	100.0

<sup>a</sup>Revised.



The combined total assets increased from \$203,940,436 in 1947 to \$272,443,231 in 1948, or 34 percent; members' equities increased from \$113,773,494 to \$154,741,147, or 36 percent. At the end of the 1948 fiscal year, the 18 associations had members' equities equal to 57 percent of the total assets as compared with 56 percent for the preceding period. The 18 associations combined had \$2.18 in current assets for each \$1 in current liabilities at the end of their 1948 fiscal year. The current ratio in 1947 was \$2.15 to \$1.

## APPENDIX

VALUE OF SUPPLIES DISTRIBUTED BY FOUR MAJOR REGIONAL  
MARKETING COOPERATIVES FOR FISCAL YEARS  
ENDED IN 1947 AND 1948

Four major regional marketing cooperatives which distribute large dollar volumes of farm supplies are the Poultry Producers of Central California, the Washington Cooperative Farmers Association, the Utah Poultry and Farmers Cooperative, and The Cotton Producers Association. The first three of these associations are centralized organizations that distribute direct to farmers through local branches. The Cotton Producers Association is of the federated type that distributes farm supplies at wholesale to member local associations.

POULTRY PRODUCERS OF CENTRAL CALIFORNIA

The value of feed and other farm supplies distributed to its members by the Poultry Producers of Central California with headquarters in San Francisco was as follows for the fiscal years ended December 31, 1947 and 1948:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed.....	\$23,497,682	\$24,484,969
Gasoline.....	879,742	1,368,591
Other supplies.....	<u>764,771</u>	<u>1,124,031</u>
Total value.....	<u>\$25,142,195</u>	<u>\$26,977,591</u>

WASHINGTON CO-OPERATIVE FARMERS ASSOCIATION

The Washington Co-operative Farmers Association, Seattle, Wash. distributed supplies in the following dollar volume for the fiscal years ended December 31, 1947 and 1948:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed.....	\$16,476,865	\$18,040,568
Petroleum.....	2,778,094	4,155,130
Fertilizer.....	424,629	) 734,233
Seeds.....	253,127	)
Other supplies.....	<u>700,574</u>	<u>1,060,578</u>
Total value.....	<u>\$20,633,289</u>	<u>\$23,990,509</u>

The Washington Co-operative Farmers Association showed net savings to members on supply operations amounting to \$1,492,130 in 1947 and \$1,596,716 in 1948, after paying 6 percent dividends on capital stock and 4 percent interest on finance fund certificates for financing supply operations.

### UTAH POULTRY AND FARMERS COOPERATIVE

The value of farm supplies distributed by the Utah Poultry and Farmers Cooperative, Salt Lake City, Utah, was as follows for the years ended December 31, 1947 and 1948:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed.....	\$6,105,335	\$5,945,911
Other supplies.....	<u>439,099</u>	<u>416,495</u>
 Total value.....	 <u>\$6,544,434</u>	 <u>\$6,362,406</u>

### THE COTTON PRODUCERS ASSOCIATION

The Cotton Producers Association with headquarters at Atlanta, Ga., now serves farmers in Georgia, practically all of Florida, and a large area in Alabama through member associations and dealer representatives. Fertilizer, feed, and other farm supplies were distributed to its members for fiscal years ended June 30, 1947 and 1948 in the following dollar volume:

<u>Commodity</u>	<u>1947</u>	<u>1948</u>
Feed.....	\$1,174,171	\$1,836,482
Fertilizer.....	1,292,394	1,833,485
Seed.....	338,853	449,467
Other farm supplies.....	<u>466,551</u>	<u>470,215</u>
 Total value.....	 <u>\$3,271,969</u>	 <u>\$4,589,649</u>

Net margins on supply operations amounted to \$252,520 in 1947 and \$284,730 in 1948.

### COMBINED DOLLAR VOLUME

Feed continued to be the principal supply distributed by these four associations. In 1948, it represented 81 percent of the dollar volume of all supplies handled. Altogether, the total dollar volume of supplies distributed by these four associations increased from \$55,591,887 in 1947 to \$61,920,155 in 1948, or 11 percent. However, the combined feed volume increased from \$47,254,053 in 1947 to \$50,307,930 in 1948, or nearly 7 percent, whereas the volume of all other supplies increased from \$8,337,834 in 1947 to \$11,612,225 in 1948, or 39 percent.



